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Daily Report—

China

**FBIS-CHI-94-194
Thursday
6 October 1994**

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Daily Report

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FBIS-CHI-94-194

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6 October 1994

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General

Further XINHUA Reportage on IMF Meeting

Report on Opening Ceremony

OW0610043294 Beijing XINHUA Domestic Service in Chinese 1531 GMT 4 Oct 94

[By reporter Ma Fangyun (7456 5364 0061)]

[FBIS Translated Text] Madrid, 4 Oct (XINHUA)—The 1994 annual meetings of the International Monetary Fund [IMF] and the World Bank opened in Madrid on the morning of 4 October.

King of Spain Juan Carlos presided over the opening ceremony. Concerned responsible persons of member countries of the two major international financial organizations and people of international economic and financial circles attended the opening ceremony.

Vice Premier of the Chinese State Council and concurrently Governor of the People's Bank of China Zhu Rongji and Chinese Finance Minister Liu Zhongli also attended the opening ceremony.

In his speech at the opening ceremony, IMF Managing Director Michel Camdessus put forward six principles for maintaining a healthy development of the world economy: Never slackening efforts to fight against inflation; ensuring domestic savings and financial discipline; striving to reduce unemployment; fully utilizing trade to promote economic growth; carrying out adjustment and reform to realize a sustained economic growth; and strengthening cooperation and unity.

In his speech, Michel Camdessus also explained the two major missions of the IMF: One is to provide financial aid. In recent months, the Board of Executive Directors of the IMF has been formulating a series of plans to assist developing countries and countries in economic transition to satisfy their huge financial need. The other is to strengthen the international monetary system by more effectively promoting the stabilization of the international financial market. Therefore, he put forward seven action principles for enforcing effective supervision of the international financial market and strengthening global cooperation on macroeconomic and monetary issues.

World Bank President Lewis Preston reiterated the clear goals of the World Bank in his speech at the opening ceremony, namely helping countries which borrow money from the bank to realize a sustained economic growth and to increase investment in human resources so as to reduce poverty and raise people's living standard.

To cope with the changing world situation, Lewis Preston put forward six principles for providing assistance by the World Bank, including actions to meet the need of individual countries, the concentration of aid in areas

which can best develop the role of the World Bank, closer cooperation with all partners of the World Bank, use of actual results to judge success or failure of assistance, and seeking the best cost-benefit combination.

The annual meeting will last for three days.

Zhu Rongji Speaks at IMF Meeting

OW0510133394 Beijing XINHUA Domestic Service in Chinese 0242 GMT 5 Oct 94

[By reporter Ma Fangyun (7456 5364 0061)]

[FBIS Translated Text] Madrid, 4 Oct (XINHUA)—Speaking at the 1994 annual joint meeting of the IMF and World Bank on 4 October, Zhu Rongji, vice premier of the State Council of China and president of the People's Bank of China, expounded China's views on the current international economic relations and introduced China's reform, opening to the outside world, and economic development.

He pointed out: Peace and development remain the two major issues awaiting urgent solution by the international community. Peace is the prerequisite, and development is the foundation. The two supplement each other. "Without a peaceful environment, economic development is out of the question. Without economic development, it is difficult to maintain sustained peace. The safeguarding of world peace requires the common efforts and active participation of all countries. Countries should respect one another and live together in peace. To promote economic development in the world, developed countries and developing countries are required to cooperate closely and advance hand-in-hand. Economic growth in developed countries cannot be divorced from economic development in developing countries. To invigorate themselves, developing countries, in addition to their own efforts, need a good external environment created by developed countries."

Zhu Rongji reiterated the consistent position of the Chinese Government. He said: In international affairs, all countries, big or small, strong or weak, are equal. It is necessary to respect the right of the people of various countries to choose the social system and the mode of development in accordance with the national conditions of their own countries. The principle of equality and mutual benefit should be adhered to and no political conditions should be attached in developing trade and economic cooperation, so as to facilitate common development and prosperity.

In his speech, Zhu Rongji affirmed the positive role played by the IMF and World Bank in the world economy, but at the same time he pointed out: "Since the 1990's, these two organizations have expanded their international representation with the joining of a large number of new members, but at the same time they have been also facing greater challenges. In the future, the two organizations' functions in promoting economic cooperation and development among nations should be further

strengthened. Meanwhile, the two organizations should strictly abide by the norms of action stipulated by their charters and comprehensively, objectively, and justly reflect member states' demands." He expressed the hope that developing countries' status in the IMF will be strengthened so that they can genuinely reflect their economic conditions. At the same time, he called on the developed countries to adopt a positive attitude toward the question of distribution of special drawing rights so as to promote the early solution of this issue. He said: "As a multilateral development institution, the World Bank should make the promotion of economic development its task. It should not be asked to interfere with the policy-making of sovereign states or fulfill the functions of other international organizations. We welcome the 'consumer-oriented' principle put forward by the World Bank and hope that it pays more attention to the practical needs of the low-income countries in their reform and development. In addition, we hope the World Bank will ensure a steady increase in loans while paying attention to the quality of projects, so as to provide developing countries with more development aid."

Zhu Rongji then spoke on China's reform and opening up achievements. He said: "Since the adoption of the reform and opening up policy, China's national economy has been growing, its economic projects are expanding, the people's living standards are improving steadily, and its social and economic situations have undergone profound changes. China today enjoys social and political stability and economic prosperity, and the reform and opening up policy is immensely popular among the people and is irreversible."

He pointed out: China's actual situation dictates that its reform and opening up projects can only proceed gradually. "During the course of reform and opening up, we always pay attention to correctly handling the relationships among reform, development, and stability. Economic construction is the center of all operations, reform and opening up are the power of economic development, economic development as well as reform and opening up are the foundation of social stability and the state's long lasting peace, and maintaining social stability is the prerequisite of faster economic development and successful reform."

Zhu Rongji said: Profound changes have taken place in China's economic structure as a result of reform and opening up, which have gone on for more than a decade. The old system has been demolished, and a new system is being built. This year, China has taken a decisive step with respect to establishing a socialist market economic system; and the reforms of the financial and tax systems, banking system, foreign exchange, foreign trade, investment, prices, and enterprise system have been successfully introduced as planned. "The smooth development of these reforms has created favorable conditions for the sustained, rapid, and healthy development of the national economy, and laid a strong foundation for continuing the reforms and opening up wider to the

outside world." He continued: "Since the latter half of 1993, we have promptly adopted a series of macroeconomic regulatory and control measures to deal with the new situations that have emerged from rapid economic development. The contradictions caused by excessive growth of investment in fixed assets have begun to alleviate, certain disorderly economic phenomena have gradually been brought under control, economic growth remains fairly high while declining steadily, the issuance of currency has been effectively controlled, the market exchange rates have been basically stable, the Renminbi's value has been stable and it tends to go up, the state's foreign exchange reserves have markedly increased. This shows that the measures we have taken since last year to exercise macroeconomic regulation and control and deepen reform have been very successful. Of course, during the course of reform and development, we have also encountered certain difficulties and certain problems have yet to be addressed. For example, commodity prices are still rising too much. Although excessive investments and over issuance of currency were part of the cause, the problem was primarily caused by the structural reform that removed market price controls. This is something inevitable in a country embarking on reform for building a market economy. After some necessary 'labor pains,' the price index will gradually fall. We Chinese people have the confidence and the ability to deal with the problems emerging from reform and opening up."

Commenting on China's external economic relations, Zhu Rongji said: As a result of reform and opening up, the economic relations between China and the world have become even closer. Since 1986 when China officially demanded that its signatory status in the GATT be reinstated, it has adopted a series of major reform measures—such as simplifying foreign trade management, substantially reducing tariffs, introducing a single exchange rate, conditional convertibility of the Renminbi under the current account, and gradual opening up of China's service trade market—to converge with GATT's norms for international economy and trade. He pointed out: "China's current economic and trade system is now basically in line with GATT's requirements. Thus, the reinstatement of China's signatory status in GATT should not be delayed any longer. China's reentry into GATT not only benefits China, but also the world. Keeping China out will immensely affect the universality of GATT and the World Trade Organization which will soon be established."

In conclusion, Zhu Rongji thanked his counterparts from various countries, as well as the IMF and the World Bank, for their support for the annual meeting in Hong Kong in 1997. He said that at that time China will play host and welcome them to attend the meeting in a stable and prosperous Hong Kong.

During the meeting, Zhu Rongji also had separate meetings with IMF Managing Director Michel Camdessus,

World Bank President Lewis Preston, Malaysian Deputy Prime Minister and Finance Minister Anwar, and U.S. Finance Secretary Bentsen.

Vice Premier Zhu arrived in Madrid on 2 October. He will begin his five-day official visit in Spain on 5 October.

Finance Minister on Aid

OW0510111094 Beijing XINHUA Domestic Service in Chinese 1435 GMT 3 Oct 94

[By reporter Ma Fangyun (7456 5364 0061)]

[FBIS Translated Text] Madrid, 3 Oct (XINHUA)—Chinese Finance Minister Liu Zhongli, in his address to a meeting of the World Bank and the International Monetary Fund [IMF] Development Committee on 3 October, voiced his opinion about the effectiveness of aid, a subject under discussion at the meeting.

Liu Zhongli said: The vast number of developing nations have devoted themselves to accelerating economic and social development, and have scored great successes in this respect. However, they have faced stiff challenges in such areas as eliminating poverty and protecting the environment. Today, more than 1 billion people in the developing nations still live in poverty. He expressed the belief that stronger international cooperation would be significant in solving these problems, and "the international community, particularly the developed nations, have a responsibility and obligation to provide such aid as funds and technologies to the developing nations."

Liu Zhongli said: For aid to be duly effective, donors should first respect recipient nations' status as the ones who decide the utilization of monetary aid. He pointed out: Therefore, "donors, especially donor nations involved in bilateral arrangements, should not, in any way, intervene in the internal affairs of recipient nations under the pretext of providing aid, or use their aid as bargaining chips to pursue their own special interests."

In his speech, Liu Zhongli also said: In the final analysis, the development of recipient nations depends mainly on the unremitting efforts made by the governments and peoples of these nations. External aid can only supplement, not substitute, the human and material resources of these nations. Nevertheless, timely and sufficient aid can play a supportive role in the development of nations receiving it.

He endorsed the idea of strengthening policy coordination between donor nations and improving the methods and procedures for providing aid, which he believes would have a direct impact on the intended effects of aid, and hoped that donor nations would take practical measures in this regard. He also hoped the World Bank and other multilateral and bilateral aid agencies would work together to further their contributions to improving the effectiveness of aid and to helping developing nations progress.

Lastly, Liu Zhongli expressed his opinion about the Uruguay Round of trade talks. He said: "The Chinese Government has always endorsed the idea of a stronger multilateral trade structure. GATT and the World Trade Organization, which will be founded soon, should play a positive role in promoting the healthy development of global trade and economic growth in developing nations." He hoped all parties concerned, particularly the developed nations, would keep their promises, implement the agreements reached at the Uruguay Round of trade talks as soon as possible, and refrain from practicing new trade protectionism under any excuse.

'Roundup' Views Qian Qichen's UN Trip

OW0610061594 Beijing XINHUA in English 0552 GMT 6 Oct 94

[("Roundup" by Zhao Renfang: "Qian Qichen's Trip Was of Practical Value and Fruitful")]

[FBIS Transcribed Text] New York, October 5 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen ended a week-long visit to the United Nations and the United States when he left for Beijing this evening.

Qian's visit was marked by over 30 meetings and many achievements. He attended the current UN General Assembly and held a series of meetings with his counterparts from various countries.

Analysts here note that the trip was both of practical value and fruitful and had satisfactory results.

During his stay in New York, Qian delivered a speech at the current UN General Assembly on China's view of the international situation, China's foreign policy, the function of the United Nations and its reform, and the strengthening of economic and trade cooperation among countries.

He held meetings with foreign government leaders and ministers, including those of Croatia, Brazil, Poland, Cuba, South Korea, El Salvador, Sri Lanka, Nigeria, the European Union (EU), the Rio Group of Latin American countries and the Gulf Cooperation Council (GCC).

Qian's meetings with his Japanese and British counterparts attracted particular attention.

On the day before the start of the General Assembly, Qian met Yohei Kono, the foreign minister of Japan. After hearing the opinions of the Japanese side, Qian explained that the visit by Taiwanese political figures to the Asian Games in Hiroshima had created obstacles in the way of the development of Sino-Japanese relations and caused the Chinese Government and people great concern.

British Foreign Secretary Douglas Hurd said during his meeting with Qian, which proceeded in an earnest and

constructive manner, that his country is willing to cooperate with China in order to break the current deadlock over Hong Kong.

At a luncheon hosted by the U.S. Council for Foreign Relations, Qian made some important remarks on the Taiwan issue. He said that China will not sit idle if anyone does anything to try to split China or obstruct the reunification of the country. He also criticized the United States for upgrading its relations with Taiwan.

The foreign ministers of Brazil and Sri Lanka, as well as the current president of the UN Assembly, all expressed their support for the "one China" policy during meetings with the Chinese foreign minister.

In an interview with XINHUA after Qian's visit to New York, Shen Guofang, spokesman for the Chinese delegation, said that during talks with Qian many countries, including Britain, Italy and El Salvador, as well as the countries of the Rio Group, the GCC and the EU, had praised China for her rapid economic growth, and said that as one of the five permanent members of the UN Security Council, China was playing a very important role in world affairs.

Another aspect of Qian's New York trip was that his counterparts all spoke of their countries' desire to develop economic and other relations with China and expressed the hope that China would play a bigger role in international affairs.

Qian discussed various programs and projects, such as increasing the volume of trade between China and the GCC countries, scientific cooperation with the Rio Group, cooperation on the scientific use of water resources with Nigeria, cooperation in transport with Poland and business ties with Italy.

Observers point out that among the foreign ministers Qian met, some were from countries which have not established diplomatic relations with China, such as South Africa and El Salvador. But these countries, too, expressed an interest in developing relations with China.

Ni Zhifu Addresses Asia-Pacific Forum on Labor Laws

OW0510123894 Beijing XINHUA Domestic Service in Chinese 0856 GMT 3 Oct 94

[By reporters Hu Xisheng (5170 6007 3932) and Wang Jinfu (3076 6855 4395)]

[FBIS Translated Text] Beijing, 3 Oct (XINHUA)—The fourth forum on labor laws of the Asia-Pacific Law Association opened in Beijing today. During the three-day meeting, more than 200 representatives from over 20 countries and regions would conduct exchanges and discussions under the theme: "Legal Protection for Foreign-Invested Enterprises and Workers Working Overseas and Their Employers."

It is understood that the Asia-Pacific Law Association is an academic group formed by famous legal personnel from the Asia-Pacific region. Its institutional members consist of 22 countries and regions, while its individual members comprise more than 5,000 experts and scholars. The Asia-Pacific Law Association's Permanent Committee on Labor Laws has previously organized three similar forums with positive results.

Ni Zhifu, vice chairman of the National People's Congress Standing Committee, attended and addressed the opening ceremony today. He said: At present, Asia-Pacific countries and regions are striving to improve their investment environments, and expanding external economic and trade cooperation and cooperation in labor services. They are protecting the rights and interests of workers and employers and promoting harmony between them through the proper use of legal means, in addition to effectively handling relations between foreign-invested and domestic enterprises. Their efforts will help create favorable investment environments, promote national economic development, and facilitate the common development of regional economies.

In his address, Finnigan [name as transliterated], chairman of the Asia-Pacific Law Association's Permanent Committee on Labor Laws, said: China promulgated a new labor law this year. In accordance with its legislative plan, it will promulgate a series of related laws to regulate labor contracts and work environments across the country. Hence, no countries can match China in terms of opportunities and venues for discussing the topic: "Legal Protection for Foreign-Invested Enterprises and Workers Working Overseas and Their Employers."

The meeting, hosted by the China Law Society, was the first large forum held in China by the Asia-Pacific Law Association since its founding. At the meeting, labor law experts and scholars from all countries and regions will deliver over 30 theses and conduct exchanges and discussions on such issues as the enactment of labor laws, the formulation and implementation of labor contracts, labor disputes, guarantees for wages and fringe benefits, social insurance, worker participation in management, and the status and roles of trade unions. The basic content and main features of our country's first labor law will also be fully described at the meeting.

Relevant leaders from the All-China Federation of Trade Unions, Supreme People's Procuratorate, Ministry of Labor, and China Law Society attended the meeting today.

CITIC International Economic Forum Opens

OW0510124294 Beijing XINHUA in English 1202 GMT 5 Oct 94

[FBIS Transcribed Text] Beijing, October 5 (XINHUA)—An international economic forum sponsored by

the China International Trust and Investment Corporation (CITIC), opened here today.

Senior Minister of Singapore Lee Kuan Yew, former U.S. Secretary of State George Shultz and over 50 business leaders from 10 countries and regions took part in the forum, exploring the prospects of the world economy in the remaining years of the century with their Chinese counterparts.

Chinese Vice-Premier Li Lanqing told the participants that China's development needs the world and world development also requires China's involvement.

He noted that more co-operation and exchanges between China and other countries will not only serve the interests of those involved, but also benefit the world economy.

China will open its door wider to the outside, promote its economic and technical cooperations with other countries, Li promised, and the country will further develop its economy to improve the livelihood of its people, thus contributing more to the world peace and human progress.

What kind of world should be brought to the 21st century is a common concern for people of all countries, Li said, exchange of views and share of ideas between peoples from different countries will help establish a peaceful, equal, co-operative, stable and prosperous world in the coming century.

At the two-day forum, delegates will discuss such topics as establishing a fair and reasonable world economy and trade order as well as favorable co-operative relationship, industrial restructuring and trade development, financial co-operation and infrastructure construction.

DPRK Official Warns Against Intervention

OW0610015194 Beijing XINHUA in English 0012
GMT 6 Oct 94

[FBIS Transcribed Text] United Nations, October 5 (XINHUA)—The nuclear issue on the Korean Peninsula should be resolved through dialogue and negotiations between the DPRK and the United States, a top DPRK diplomat told the current UN General Assembly Session today.

Delivering a statement, Choe Su-hon, vice foreign minister of the Democratic People's Republic of Korea (DPRK), declared his country's firm position, saying that intervention by any other party in the dialogue "will only create difficulties and complications as well as obstacles to the resolution of the issue, rather than help it at all."

"Any threat or blackmail, any pressure or sanctions will never work on us," he said, adding that "our people will never beg for peace at the expense of our national dignity and sovereignty simply out of fear of war."

He warned that the South Korean authorities should "refrain from creating obstacles on the progress of the DPRK-U.S. talks" before they talk about the "nuclear issue."

Stating that DPRK is "firm in its will and intention" to achieve the cause of national reunification "definitely within the 90s," he said that the only way to achieve it is "a confederation based on the concept of one nation and one state, two systems and two governments."

He also proposed replacing the Korean armistice agreement with a peace agreement and establishing a new peace agreement to substitute for the current armistice mechanism as "an important point."

The vice minister told the plenary meeting that Comrade Kim Jong-il, who "remains committed to his life-long mission of carrying forward and accomplishing the revolutionary cause pioneered by our fatherly leader," "enjoys infinite respect and the absolute trust of our people."

Agenda, Outcome of Russian-U.S. Summit Examined

HK0610101594 Beijing RENMIN RIBAO in Chinese
4 Oct 94 p 6

[["Special article" by Yang Huasheng (2799 5478 0581): "Russian-U.S. Relations Repositioned"]]

[FBIS Translated Text] During his state visit to the United States 28-29 September, Russian President Boris Yeltsin held the third summit meeting with U.S. President Bill Clinton.

The summit was spectacular because Russian-U.S. relations had met with setbacks over the past year and more. First, when Russia had shifted to the new track, bilateral relations experienced quite a "romantic honeymoon" for some time, though Russia later found that Western countries did not treat it as an "equal partner." A Russian international issues expert said bluntly, that in fact, Western countries did not hope Russia would grow strong. They promised to give aid to Russia but they only "paid lip service." A Russian diplomatic official said that when the United States approached Russia about something, it just "gave orders" rather than "asked it for opinions." Therefore, Yeltsin's visit to the United States was designed mainly to reposition the bilateral relations to establish a really equal "strategic partnership."

Second, Russia has begun to restore its status as a major country and to seek to establish a "pragmatic partnership" with the United States on the basis of national interest. The two presidents placed emphasis on their own national and economic interests and their national security, and did not deny or try to cover up their differences.

From the agenda of the summit, we can learn that they had at least three major differences and contradictions:

1) Moscow demanded that the U.S. revoke its trade discrimination against Russia, so that Russia and the U.S. could compete in the world market on an equal footing. Not until Yeltsin was about to visit the United States did Clinton say that the U.S. Government would consider doing away with the revised Jackson-Vanik bill and other laws restricting Russian trade. 2) Russia stressed that it had a "special interest in terms of security" in the territory of the former Soviet Union, so it had "a special role to play" in maintaining peace in this area. The United States, however, had many reservations about this. 3) The two countries expressed different positions on a series of major international issues, including the conflict in Bosnia-Herzegovina, nuclear disarmament, the expansion of NATO, and Middle East issues. This revealed their conflicts in terms of strategic interest.

These differences certainly did not make Yeltsin's visit an agreeable one. There appeared to be a qualitative change in Russian-U.S. relations as compared with the past. Nevertheless, the two countries needed each other's help on matters related to important strategy and international security. Clinton said that the U.S. support for Russia under Yeltsin's leadership was its investment in U.S. security. Russia also needed U.S. support for its efforts to overcome domestic difficulties and to revive its economy. Therefore, the summit undoubtedly will raise bilateral relations to a new height, but it remains unknown whether Russian President Yeltsin will succeed in forcing the United States to treat Russia as an equal.

Geneva Mission Head Speaks on Refugee Issue

OW0610110294 Beijing XINHUA Domestic Service in Chinese 0546 GMT 4 Oct 94

[FBIS Translated Text] Geneva, 3 Oct (XINHUA)—Speaking at a meeting of the UN High Commissioner for Refugees [UNHCR] Executive Committee here on 3 October, Jin Yongjian, head of the PRC permanent mission to the UN Office in Geneva, pointed out that the Chinese Government always stands for addressing the refugee issue through eliminating the sources and providing international protection and humanitarian assistance, focusing on eliminating the sources that generate refugees.

Jin Yongjian said in his speech that the current situation shows that foreign aggression and interference, territorial strife, internal racial and religious conflicts, severe economic deterioration, and widespread natural disasters are the main causes of refugees. He added that economic sanctions and blockade are also causes that should not be ignored.

He stressed: For this reason, the Chinese Government firmly stands for establishing a just and rational new international political and economic order on the basis of the five principles for peaceful coexistence to mitigate the gap between the North and South; and for settling

disputes through peaceful means, respecting state sovereignty, and not interfering in other countries' internal affairs. Only by so doing can the refugee issue be fundamentally resolved.

Jin Yongjian said: While the international community has achieved some success in addressing the refugee issue over the year, it also has encountered severe challenges. The total number of refugees has now exceeded 23 million from last year's 19 million. The international community cannot afford not to be seriously concerned with the development.

International Radio Jamming Group Meets in Beijing

HK0510150594 Beijing ZHONGGUO XINWEN SHE in English 1155 GMT 5 Oct 94

[FBIS Transcribed Text] Beijing, October 5 (CNS)—An international radio jamming organization has its annual conference convened in the Beijing International Convention Centre today. It is for the first time the group has held its annual meeting in China as it enters its 60th anniversary. The organization is aimed at coordinating standard set by various countries for radio jamming, reducing hazard resulting from radio jamming and purifying the electromagnetic environment. Some 200 domestic and foreign experts attended the meeting.

The organization namely the International Radio Jamming Special Council which was set up in 1934 comprises members from industrially developed countries such as the United States, Britain, Japan and Russia as well as from some developing countries. China is one of its members and established a standardized technology committee for radio jamming in 1986 in order to help solve the jamming problem at home.

As the modern industry develops at a rapid pace which leads to an increase in the use of electricity powered equipment, radio jamming then becomes an international problem of great concern. It can cause malpractice of navigation system which can in turn result in serious incidents and disrupt transmission of data which can lead to loss of information and to adverse effects on operation of communications system, computer and its network, military action, broadcasting and television. Reduction of radio jamming for some products and enhancement of anti-jamming capability held by equipment are therefore part of the main content for the build-up of modernization.

There are 60 to 70 percent of electrical appliances in China not meeting the state inspection standard. The authorities will in response formulate reinforced standard in 1995 for mandatory implementation.

The meeting will play an important role in pushing forward development of anti-jamming business, improving electromagnetic environment, upgrading reliability held by electronic and electrical products as well as strengthening export and competitiveness.

United States & Canada

Foreign Minister Qian Qichen Views Sino-U.S. Ties

Views Opportunities, Difficulties

HK0510124794 Beijing ZHONGGUO XINWEN SHE
in Chinese 0943 GMT 5 Oct 94

[By reporter Liu Liping (0491 4539 1627)]

[FBIS Translated Text] Washington, 4 Oct (ZHONGGUO XINWEN SHE)—Today, before his two-day visit to Washington comes to an end, Qian Qichen, China's vice premier and foreign minister, talked about the opportunities and difficulties in the development of Sino-U.S. relations when answering questions raised by reporters.

Qian Qichen said: After the meeting between President Clinton and President Jiang Zemin in Seattle last year, and the sensible decision by the U.S. President on the most-favored-nation issue, there appeared conditions for the further improvement of bilateral relations. Over a certain period of time, this opportunity may bring the development of Sino-U.S. relations to a new stage.

Qian Qichen pointed out: At present, there exist some difficulties in Sino-U.S. relations, and they include the United States' sanctions against China, the U.S. policy on the Taiwan issue, and some differences between the two sides on the issues of trade, human rights, and weapons proliferation. He said that if these problems can be solved properly, the opportunities will be turned into reality.

When talking about the sanctions issue, Qian Qichen pointed out: It is unfair and unreasonable of the United States to impose sanctions on China in the aspect of missile sales. Only after the United States lifts these sanctions will China make the commitment, but making no such commitment does not mean that China will sell relevant missiles. However, China cannot make such commitment before the sanctions are lifted.

Qian Qichen said: The sanctions are related mainly to military facilities, including some parts. In fact, such sanctions may produce little impact on China, but the maintenance of such sanctions indicates the continuing existence of some shadows on bilateral relations. The shadows must be removed if relations between the two countries are to be further expanded.

Views Taiwan Issue

HK0510125594 Hong Kong WEN WEI PO in Chinese
2 Oct 94 p A3

[Report on interview with PRC Vice Premier and Foreign Minister Qian Qichen by unidentified CHIAO PAO reporters in New York on 30 September: "Qian Qichen

Freely Talks About Sensitive Issues"—originally published on CHIAO PAO (OVERSEAS CHINESE NEWS) in the United States—first paragraph is editor's note]

[FBIS Translated Text] Editor's note: Chinese Vice Premier and Foreign Minister Qian Qichen, who is attending the 49th UN General Assembly and will soon visit Washington, was interviewed by three Chinese media at the site of the Chinese delegation to the United Nations on the afternoon of 30 September. We here collate the contents of the conversation and offer them to our readers.

Differences That Are Difficult To Solve Should Not Be Intensified

[Reporter] Since the meeting between Chinese and U.S. leaders in Seattle last year, relations between the two countries have improved to some extent. Judging from the achievements made by the U.S. commerce secretary during his recent tour of China, and by the secretary of state's visit to China last March, people can see that the bilateral ties have made gratifying advances. In the meantime, however, U.S. congressmen made repeated motions to support Taiwan's entry into the United Nations, and the U.S. Administration also adjusted its Taiwan policy, in an attempt to break through the limitations on official contacts between the United States and Taiwan and the sale of arms. Vice Premier Qian, would you please analyze the obstacles to current Sino-U.S. relations which should be broken through?

[Qian] Last November, President Jiang Zemin and President Clinton had an official meeting in Seattle which initiated a good beginning to Sino-U.S. relations. In May this year, Clinton announced the U.S. extension of MFN trade status to China and delinked the human rights issue from that of MFN treatment, which created favorable conditions for further improving and developing the ties between the two countries. At present, Sino-U.S. relations are faced with good development opportunities, but—no need for reticence—there are still differences and difficulties between the two sides.

On the U.S. side, so far, it has not lifted sanctions against China. Recently, it also took measures to upgrade its relations with Taiwan, which is detrimental to the improvement and development of relations between the two countries. We feel that this is a man-made difficulty that has to be resolved.

There is another category of differences that have arisen from the varying situations and views of the two sides. Take, for example, the issues regarding bilateral trade, human rights, and arms proliferation, which can be entirely settled through peaceful negotiations. As long as the two sides treat each other on an equal footing, solutions acceptable to both can be worked out. As for some problems that are difficult to settle, we absolutely can seek common ground while reserving differences, and show respect for each other, lest the differences be intensified and normal relations between the two countries affected.

China Is Not Prepared To Boycott Asian Games

[Reporter] At this time, the Japanese authorities have allowed Hsu Li-te to visit Japan, in spite of China's protests. It seems that this is something to do with Japan's long-term practice of following on the heels of the United States in its foreign policy. Regarding the matter of allowing Hsu Li-te to visit Japan, China said, on the one hand, that it was unacceptable; on the other, it sent a delegation to participate in the Asian Games. May we take this opportunity to ask you, Vice Premier Qian, to comment on this issue so as to clear up the perplexities and ease the feelings of the overseas Chinese and Chinese nationals residing here?

[Qian] Originally, the Asian Games pertain to the world of sports events, and have nothing to do with politics. Since Taiwan changed its name to "Taipei, China" under the International Olympic Committee, things have gone comparatively smoothly in several Olympic, as well as Asian Games. Taiwan participated in them under the name of "Taipei, China," and its flag also was changed. Athletes from both sides of the Taiwan Strait joined in the competition together. This is a very good thing. Recently, the Taiwan authorities wanted to take advantage of sports to engage in some activities of a political nature. This is obviously inappropriate. The current Asian Games—a magnificent sports meet to be held in Hiroshima, Japan—should have been conducted very smoothly, but now a certain shadow has been cast over them since this problem cropped up. China is not prepared to boycott the Asian Games because China is a big power in sports, and it considers the gold medals first. I think one-third of the gold medals in the Asian Games will be won by Chinese athletes. If our athletes do not participate, the games will not be good as if the five-star red flag had been raised and the national anthem played. It is not a question for China, being a big power in sports, to attend the grand gathering. The question is that we are discontented with the Japanese authorities for giving permission for Hsu Li-te's entry, against which we have lodged a protest. Some members of the Chinese Asian Games delegation who are not athletes, including senior personalities, will not attend the sports meet in order to show our discontent with the event. I think this is understandable.

The Hsu Li-te Event Will Be Entered in Account

[Reporter] There is also another issue relating to this. It will be the 50th anniversary of the founding of the United Nations next year, and seats in the Security Council and of the permanent members of the Security Council have aroused people's attention. Germany and Japan, the two nations defeated in World War II, now have asked for seats. Vice Premier Qian, when you talked with the Japanese foreign minister on the issue of Hsu Li-te's visit to Japan, you said that the Chinese people and government are intensely dissatisfied with this event and will never forget it. A commentator's article in RENMIN RIBAO also said that such actions as

Japan has taken to seek big-power status in the international arena will result only in going south by driving the chariot north. Are these hints given to Japan?

[Qian] This means that we will not just let the matter drop, but will enter it into account. Certainly, it will affect the Sino-Japanese relationship. As for what specific conditions this will lead to, it is still too early to say. Owing to the fact that major changes have taken place in the post-war international situation, China maintains that appropriate reform should be carried out in the United Nations, including expansion of the Security Council. Of course, expansion of the Council should be conducive to maintaining an equilibrium of the interests of all parties, and should not take the wealth or poverty of a nation as the only criterion. Reform of the Security Council will involve the interests of all parties concerned, so we hope this issue will be resolved properly on the basis of thorough discussions by the vast number of member countries.

[Reporter] You said the Japanese Government set a very bad precedent by allowing Hsu Li-te to enter Japan. In the future, if other countries follow Japan's example, what countermeasures will China take?

[Qian] I think, as it is a very bad precedent, others will not rush to follow suit. However, if we ignore the matter, it will produce an adverse impact.

China Will on No Account Sit Idly By and Remain Indifferent About "Taiwan Independence"

[Reporter] As one of the Chinese leaders in charge of the Taiwan issue, how do you look on the trend of "Taiwan independence" on the island? What measures will you take to prevent the situation from deteriorating further?

[Qian] Indeed, over the past few years, "Taiwan independence" activities on the island have gained ground, with some international forces at their backs. Prospects for these activities are gloomy. Any attempt to separate Taiwan from the motherland, and any act to create "Taiwan independence" are against the fundamental interests of the Chinese nation, so it will not enjoy popular support, nor will it obtain consent from the two sides of the Taiwan Strait. The entire Chinese people, including the people of Taiwan, will resolutely oppose and condemn it. If Taiwan is engaged in independence, the situation across the Taiwan Strait certainly will be in chaos, which is detrimental to both sides of the strait, and to peace in the region and the world. Under no circumstances will the Chinese Government sit idly by and remain indifferent.

Discussion With Douglas Hurd on the Hong Kong Issue

[Reporter] You said before leaving Beijing that you would discuss some substantive issues with British Foreign Secretary Douglas Hurd during your meeting with him. May I ask what substantive issues they are?

[Qian] My speech at the Beijing airport meant that the current meeting was relatively important because the two foreign ministers would talk about Sino-British relations. It should be said that the Hong Kong issue is the principal part of the ties between China and Britain because this issue has a comparatively great influence, and in fact, it is how the matter stands. It took two and a half hours to conduct our talk, most of which was spent on discussion of the Hong Kong issue. The talk was focused on making considerations of the very short time for the transition of Hong Kong's sovereignty. It can be said that, counting from now, there are only 33 months, or 145 weeks, or 1,000 days left before the handover. As there are only 1,000 days left, we should speed up our work to prepare for a smooth transition. This is the most important substantive issue we discussed.

[Reporter] Did the British side make any concessions?

[Qian] If both sides agree to talk about this issue, then we should think it a good thing. It is not good to avoid talking about the issue. Sino-British relations at present are relatively poor, so they should be restored.

[Reporter] Vice Premier Qian, could you assess the current Sino-British relations? China has improved relations with many countries, and it looks Sino-British relations are comparatively poor. How would you describe the current Sino-British relations? With regard to Hong Kong issues, such as the transition of the public service and a series of substantive problems, how will China and Britain cooperate so that Hong Kong will achieve a smooth transition?

[Qian] When China and Britain published the Joint Declaration in 1984, the ties between the two countries were relatively good, something in which Britain held a dominant position among the European countries. Over the past few years, however, owing to Britain's changed policy on Hong Kong and its unrealistic estimation of China's situation, it has stirred up some confrontations and evoked some frictions, which could not help but affect Sino-British relations. Under these circumstances, it may be said that these relations are relatively poor now, as compared to relations between China and other European countries. I do not think either side likes to see this situation, so relations should be patched up.

[Reporter] You said Britain had changed its policy, and had deviated from the track of cooperation. Did the two sides reach any consensus on returning to the track after the talk? At his news conference, Hurd said that Britain had changed its policy because of the things that had occurred in China; how would you comment on his remarks?

[Qian] I think Britain actually has changed its policy, for whatever reasons, but the British side told me that its policy toward China has not changed, and that its stand of abiding by the Sino-British Joint Declaration has not changed either. I hope what it said is true. Now there are only 1,000 days left before Hong Kong's handover to the

motherland. How to ensure the smooth transition and to achieve Hong Kong's long-term stability and prosperity is a top-priority task. I had a long talk with Foreign Secretary Hurd this time, and we conscientiously discussed matters involving various areas. The talk is constructive and useful, but the most important thing is how the points of the talk are carried out. We hope that during this period, the British Hong Kong authorities will no longer take unilateral actions without consulting the Chinese side, will reduce making trouble, and will remove obstacles for achieving genuine cooperation.

The Issue of Free Trade in Asia-Pacific Region

[Reporter] Will the Asia-Pacific Economic Cooperation [APEC] Forum, which is to be held in Indonesia in November, discuss the issue of establishing an Asia-Pacific free trade zone? What is China's position on this issue?

[Qian] With regard to the issue of achieving APEC trade liberalization, we are seriously studying some proposals put forward by the APEC "Group of Celebrities" and "Forum of Pacific Industry and Commerce." We believe that the unofficial meeting of the APEC leaders in November and the sixth ministerial meeting will discuss this issue. We always maintain that it is a long-term goal to achieve trade liberalization in the Asia-Pacific region. To achieve this goal, a series of problems should be solved, and ample considerations should be given to the economic development and actual conditions of the APEC member-countries, and the developing countries in particular.

China Is Opposed To Internationalizing the Issue of the Nansha [Spratly] Islands

[Reporter] Certain countries have repeatedly raised the controversy over the sovereignty of the Nansha Islands. They seem to have little interest in the common development advocated by China. In the United States, people even suggested submitting the Nansha issue to the United Nations. In the face of this situation, what countermeasures does China have?

[Qian] The Chinese Government has undisputable sovereignty over the Nansha Islands and the nearby sea areas. Proceeding from the wishes for safeguarding peace and stability in the region, the Chinese Government proposed "casting aside controversy and carrying out common development" in light of the controversy over the Nansha Islands entangled by some countries. This proposal is fair and sensible because it will maintain regional peace and stability, and at the same time, it will not affect the peaceful development activities in the region. Some countries have responded to this proposal. The Chinese Government always maintains that the controversy over the Nansha issue should be settled by all parties concerned through bilateral negotiations, and is opposed to the internationalization of the issue and the involvement of any third party.

Qian Qichen Meets Local Chinese in Washington
OW0610110394 Beijing XINHUA Domestic Service in Chinese 0829 GMT 5 Oct 94

[By reporter Ying Qian (2019 6197)]

[FBIS Translated Text] Washington, 4 Oct (XINHUA)—Qian Qichen, visiting Chinese vice premier and foreign minister, cordially met with representatives of local Chinese at the Chinese Embassy here on the afternoon of 4 October. He briefed them on the latest development in China's economic construction, reform, and opening up as well as the results of his visit to the United States.

Qian Qichen said: "The reason I am taking this opportunity during my visit to the United States to meet you is I want to tell you these two items of good news: The domestic situation is very good and Sino-U.S. relations are developing." He hoped overseas and ethnic Chinese in the United States could serve as a bridge to promote the development of Sino-U.S. relations.

On the morning of 4 October, Qian Qichen also went to the Chinese Embassy to visit personnel of Chinese organizations in the United States. He urged them to work hard in their posts under the new situation, to acquire a broader perspective of the entire situation, and make greater contributions to the development of Sino-U.S. relations.

Qian Qichen and his party ended their U.S. visit and left Washington for home via New York on the evening of 4 October.

Jiang Zemin Meets U.S. Entrepreneurs
OW0510111694 Beijing XINHUA in English 0925 GMT 5 Oct 94

[FBIS Transcribed Text] Beijing, October 5 (XINHUA)—Chinese President Jiang Zemin met here this afternoon with a senior delegation from the IBM company of the United States which has come here to attend a forum on modern information and technology.

Jiang extended his congratulations to the convocation of the forum in Beijing jointly sponsored by the IBM company, the State Planning Commission and the Chinese Ministry of Electronics Industry.

He said that the rapid growth of China's economy requires the acceleration of its national economic information construction, adding that China welcomes IBM's involvement in its major national economic information projects.

Ned Lautenbach, deputy president of IBM, briefed Jiang on the company's cooperation with China over the past few years.

He described cooperation between IBM and China in information technology and industry as very friendly, hoping that such cooperation will grow continuously.

IBM will try its best to make China become its largest overseas cooperating partner, Lautenbach added.

Hu Qili, minister of electronics industry, and Zeng Peiyan, vice-minister in charge of the State Planning Commission, participated in the meeting.

Causes Leading to U.S.-Japan Trade Part Viewed
OW0510113894 Beijing XINHUA Domestic Service in Chinese 1124 GMT 2 Oct 94

[“News analysis” by XINHUA reporter Wang Nan (3769 2809): “How Did the United States and Japan Manage To Reach a Partial Trade Agreement?”]

[FBIS Translated Text] Washington, 1 Oct (XINHUA)—The U.S.- Japan framework trade talks, which had been under way for 15 months, eventually produced results on 1 October. The U.S. and Japanese Governments announced that they had reached a partial trade agreement, under which the U.S. Government would investigate Japan's “unfair” practices in the automobile sector beginning on that day. A hair-trigger trade war has thus been averted.

The conclusion of the partial agreement was first announced by Japanese Foreign Minister Yohei Kono early this morning. U.S. Trade Representative [USTR] Mickey Kantor flashed a smile of relief during the midday news conference. He said that the partial agreement would bring “genuine changes” and “concrete results” to the U.S.-Japan trade relations, adding that President Clinton was satisfied with the results.

The U.S.-Japan framework trade talks, described by President Clinton as “placing the greatest emphasis on practical results,” had encountered several setbacks since they were started in July last year, and had broken down for sometime in February this year. During that period, the Japanese Government kept changing hands, throwing foreign exchange markets into disarray. People virtually lost confidence in the marathon talks where the two sides held widely divergent positions. After the talks failed at the end of July, the U.S. Government proclaimed that the United States would unilaterally impose trade sanctions on Japan beginning on 1 October if it could not offer a satisfactory reply to the United States on market opening by 30 September. The United States and Japan reached a partial trade agreement at the last minute, however. What was the reason for that?

There have always been two schools of thought in the U.S. Government regarding trade policy toward Japan. Hardliners, represented by the Commerce Department and the USTR Office, assert that Japan will not make concessions on trade policy in the absence of genuine pressure from the U.S. Government, and that this will lead to a widening U.S. trade deficit with Japan.

The U.S. Treasury Department and the White House Council of Economic Advisers are against this practice.

This faction gives greater consideration to the potentially negative effects of the U.S.-Japan trade dispute on international financial and foreign exchange markets. And keeping the U.S. dollar stable is an important part of the Clinton administration's international economic policy.

The partial trade agreement reached on 1 October clearly shows that the Clinton administration takes a practical middle-of-the-road approach toward its policy on trade with Japan through the adoption of different policies toward the Japanese Government and the private sector. Because the Japanese Government controls purchases of medical and telecommunications equipment, the United States urges the Japanese Government to open its bidding process to foreign companies through the introduction of equitable and open mechanisms of competition. U.S. exports will increase by \$440 million as a direct result of U.S. companies increasing their share of the Japanese Government's medical equipment purchases from the current 23 percent to 40 percent as specified in the agreement over the next few years. While the Japanese insurance sector earns an average of \$320 billion from insurance premiums annually, foreign companies account for only 3 percent of Japan's insurance market due to restrictions by various rules and regulations. For this reason, the U.S. Government has urged the Japanese Government to reform its management system. Such flexible policies adopted by the U.S. Government during the talks naturally helped the two sides to reach an agreement.

It should be noted that Japan also made necessary concessions during the recent talks. This is because first, it is in Japan's fundamental interests to maintain trade relations with the United States. Since one-third of Japanese goods are exported to the United States, an unduly hard line will provoke sanctions that will not serve Japan well. Second, with the signing of the Uruguay Round agreement, all nontariff barriers will be dismantled in the near future; it is only a matter of time.

Automobiles and automobile parts, which have always accounted for approximately two-thirds of the U.S. trade deficit with Japan, are the crux of the U.S.-Japan trade dispute. The Japanese Government has long insisted that it plays only an insignificant role in the automobile sector, which it claims is the business of enterprises. The Clinton administration was clearly aware of the possibility of a mutually destructive trade war if the two sides maintained their hard-line positions on this issue. Therefore, the U.S. Government announced on 1 October that beginning that day, it would conduct year-long investigations and consultations on Japan's automobile sector under the "Super 301 Section" of its trade act. This has temporarily defused the conflict between the two sides and also given the Japanese Government room for maneuver.

Although U.S.-Japan trade talks have produced a partial agreement, the problem left unsolved by the agreement is

the same as before: How to measure Japan's progress in opening its markets. For this reason, the United States and Japan will have some hard bargaining to do in the course of implementing the partial agreement they have concluded.

Columnist Optimistic About Sino-U.S. Relations

*HK0510144194 Hong Kong TA KUNG PAO in Chinese
5 Oct 94 p 3*

[“Political Talk” column by Shih Chun-yu (2457 0689 3768): “Sino-U.S. Relations Can Be Developed by Seeking Common Ground While Reserving Differences”]

[FBIS Translated Text] Chinese Foreign Minister Qian Qichen met a number of high-ranking U.S. officials in Washington yesterday and the day before, and will conclude his first official visit to the United States in four years after holding a news conference today.

“Routine” Questions

Qian Qichen had two talks with the U.S. side—one with Christopher, which lasted two hours, and another with Clinton, which lasted an hour. Qian Qichen and Christopher also arranged a follow-up meeting, in which Chinese Assistant Foreign Minister Qin Huasun and U.S. Assistant Secretary of State Shattuck held a dialogue on the human rights issue. Both parties agreed that the dialogue would be held on the basis of mutual respect and equality.

Some Western political leaders always “routinely” bring up the human rights issue whenever holding talks with senior Chinese officials. As a matter of fact, this is merely a formality, but some people are simply fond of making these minor details an issue. Incidentally, there is an ongoing debate in the United States on how to report the U.S. human rights situation to the UN Commission on Human Rights for the first time. Although its “extremely bad human rights” record and “grave injustice” in the past has been written into the preface to a report drafted by Shattuck, it is still condemned by many people at home for being “self-glorying” and glossing over the “obvious dark side” of the United States, such as the banishment of the Indians and the existence of slaves. As far as the human rights issue is concerned, China has never denied the fact that there is still room for improvement and it is willing to have a dialogue with other countries, but “mutual respect and equality” is essential. China has just celebrated its 45th founding anniversary, and we can realize from a review of its 45-year history that “mutual respect and equality” in the diplomatic arena is hard-won for China.

A Critical Moment

One of the focuses of Sino-U.S. talks is to review and forecast the development of bilateral relations.

Qian Qichen mentioned in the talks that current Sino-U.S. relations are at a critical moment, meaning that because bilateral relations have begun to improve following the end of an abnormally low tide for the nearly five years since 1989, the present favorable opportunity to usher in a new stage of development must be seized now.

According to the U.S. side, it wants to "fully expand its cooperation with China, and its goal is to maintain cooperative ties with a "strong, stable, prosperous, and open" China. The wording of "strong, stable, prosperous, and open" reminds people of what China has emphasized repeatedly recently, that is, "seizing opportunities, deepening reform, opening up wider, promoting development, and maintaining stability." It can be seen by this point that quite a lot of common ground can be found between the two countries, and there is a good opportunity to improve and develop their ties.

Furthering Understanding

Of course, differences do exist, and in their talks, both sides had divergent or even quite conflicting views on such issues as Taiwan, China's "GATT re-entry," arms

deals, and the DPRK. However, there is no harm in having a sincere and practical dialogue on these issues so as to achieve better understanding. It is useful as long as a better understanding can be achieved.

There has been a marked increase in high-powered contacts, including military contacts, between China and the United States since the United States extended China's most-favored-nation treatment and delinked trade with the human rights issue. (Ray Mark), commander of the U.S. Pacific Fleet, said in a Singapore newspaper the day before yesterday that the United States wants to strengthen its military ties with China through more frequent mutual visits of warships, personnel exchanges, and small-scale military exercises. It seems that U.S. Defense Secretary Perry will discuss this with the Chinese side during his year-end visit to China. As far as Sino-U.S. relations are concerned, the next eye-catching event, of course, is a meeting between Jiang Zemin and Clinton in Jakarta next month. Just as Qian Qichen said, such a direct ideological and emotional contact between the heads of the two countries can never be replaced by any modern communications technology.

Political & Social

XINHUA Reports on 4th CPC Plenum Decision

'Full Text' of Decision

OW0610101494 Beijing XINHUA in English 0915
GMT 6 Oct 94

[FBIS Transcribed Text] Beijing, October 6 (XINHUA)—Following is the full text of the decision of the Central Committee of the Communist Party of China concerning some major issues on strengthening party building:

The Decision of the Central Committee of the Communist Party of China Concerning Some Major Issues on Strengthening Party Building

(Adopted at the Fourth Plenary Session of the 14th Central Committee of the Communist Party of China on September 28, 1994)

The Fourth Plenary Session of the 14th Central Committee of the Communist Party of China analyzed the domestic and international situation and conditions of the party and made the following decision on some major issues concerning the strengthening of party building.

One. The Current Situation and Tasks Facing Party Building

1. China is carrying out the great and arduous task of reform, opening to the outside world and socialist modernization. At a time when drastic changes are taking place in the world, the struggle between various political forces are intricate and complicated and competition is getting increasingly fierce between countries in overall national strength based on economy, science, and technology, we are having an opportunity hard to come by while facing rigorous challenges. Further liberating the mind and seizing the opportunity to speed up reform, opening and modernization drive and build up the system of a socialist market economy will, with great vigor, usher in a new stage in the improvement of China's social productive forces and overall national strength and the material and cultural life of the Chinese people, so as to enable the country to grasp a still greater initiative in its hands and March into the 21st century in victory.

The Communist Party of China is the force at the core leading and uniting the people of all ethnic backgrounds throughout the country in undertaking the great cause of building socialism with Chinese characteristics. As a ruling party, it shoulders historic tasks while undergoing the tests of times and, therefore, must strengthen its own building and constantly improve its performance of leadership and raise its standards as a ruling party.

2. Great achievements have been made in party building since the Third Plenary Session of the 11th party Central Committee.

—In ideological building, the ideological line of Marxism has been re-established and developed through adherence to the principles of liberating the mind, seeking truth from facts, daring to blaze the trail and making breakthroughs, and testing and developing truth through practice.

—In theoretical building, the theory of building socialism with Chinese characteristics, the Marxism of contemporary China, has been established through an integration of the fundamentals of Marxism with the concrete situation in contemporary China and the salient features of our times and by inheriting and developing Mao Zedong Thought.

—In political building, the basic line of taking economic construction as the core, upholding the four cardinal principles (keeping to the socialist road, people's democratic dictatorship, leadership by the Chinese Communist Party and Marxism-Leninism and Mao Zedong Thought) and adhering to the reform and open policy has been formulated and implemented, and the unity of the entire party based on the basic line has been strengthened.

—In organizational building, the system of democratic centralism has been restored and gradually improved, the de facto life tenure for cadres at leading positions has been abolished, work has been done in making the contingent of cadres and leading bodies at various levels more revolutionary, younger, better educated and more competent with expertise, the succession has been completed of the third generation collective central leadership to the second, and the party contingent and organizations have been consolidated and expanded.

—In improving the party's work style, the party's fine traditions and style of work have been restored and carried forward, big efforts have been made to encourage pursuit of truth and work in a down-to-earth manner, and persistent efforts have been made to improve the party's style of work, promote the building of clean government and intensify the fight against corruption. This has won the endorsement and support of the people.

It is under the leadership of the party that China, over the past 16 years, has won great victories in various fields, victories that are the focus of global attention. Comrade Deng Xiaoping has made contributions of historic importance to the establishment of the theory of building socialism with Chinese characteristics. Practice has proved that the Chinese Communist Party deserves to be called the staunch core of leadership for the cause of China's socialist modernization and, as the party in power, has lived up to the trust and expectations of the people.

3. The important remarks made by Comrade Deng Xiaoping during his 1992 inspection tour of southern China and the party's 14th National Congress opened a

new phase for China's reform, opening and modernization drive. The 14th Party Congress established the status of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guidance for the entire party, decided to arm the entire party with the theory and declared that the basic line of the party will be adhered to without wavering for a hundred years to come. The building of a socialist market economic system was set as the target of China's reforms, and the ways of attaining the target were specified. The congress formulated the strategy of promoting socialist ethical standards and working for material progress at the same time and enabling the country to become better-off by the end of this century. It made clear the historic task of and the guiding principles for strengthening party building and improving party leadership.

Since the 14th Party Congress, the party, in striving to fulfill the tasks cited above, has done fruitful work in various fields. The third volume of the "Selected Works of Deng Xiaoping" was published, prompting the entire party to conscientiously study and do research of the theory on building socialism with Chinese characteristics. The decision adopted by the Third Plenary Session of the party Central Committee on some issues concerning the establishment of the socialist market economic system has served as a powerful boost to the progress of reform and opening-up. Practical and effective measures have been taken to ensure a sustained, fast and sound development of the national economy. Propaganda and ideological work has been improved and positive efforts have been made to promote socialist ethical standards. The struggle against corruption has been intensified and periodical results have been achieved in this regard. The party has also laid out the plans for promoting democracy, building up the legal system, and developing education, united front work, nationalities work and work in other fields. At present, the major policies and principles for various fields have been determined. For the nation to develop the socialist market economy, expand socialist democracy and promote socialist ethical standards, with economic construction always taken as the focus of all work, it is imperative to ensure a staunch leadership by the party and further strengthen party building.

4. Party building is closely linked with the party's political line. The correct political line of the party is the pre-condition for establishing a correct organizational line; the organizational line, on its part, provides organizational guarantee for the implementation of the political line. This is a basic historic experience of our party. During the period of democratic revolution, the first generation collective central leadership headed by Comrade Mao Zedong founded Mao Zedong Thought and formulated correct political and organizational lines by integrating the fundamental tenets of Marxism with the concrete practice of the Chinese Revolution and by pooling the wisdom of the entire party. In the society of old China which had widespread small production and was very backward economically and culturally, in rural

bases which for a long time were cut off from outside by the enemy, and in cities under the reign of white terror, there came into being the vanguard of the working class which was unified and cemented in unity, practiced rigorous discipline and displayed heroism in seizing victories—this was a great exploit almost without precedence in the political history of the world, a "great undertaking" as Comrade Mao Zedong called it with pride.

In the new historic period, the second generation collective central leadership with Comrade Deng Xiaoping at the core upheld and carried forward this basic historical experience and, by pooling the wisdom of the entire party, founded the scientific theory for building, consolidating and developing socialism in China, a country big but relatively backward in economy and culture, and established a correct political line while undertaking party building in close association with this political line. Comrade Deng Xiaoping's theory for building socialism with Chinese characteristics is rich with theoretical ideas on party building. Those on upholding and improving leadership by the party to make the party the staunch center of leadership in socialist modernization; on liberating the mind, seeking truth from facts and adhering to the correct ideological line; on rectifying errors of leftism prevalent for a long time in the past while combating bourgeois liberalism, watching out against the right deviation while concentrating on preventing "left" deviations, and enhancing the steadfastness in upholding the party's basic line; on reforming the party's leadership system, enforcing still better party rules and regulations and enhancing democracy in inner-party life and seeking to institutionalize it; on upholding and improving democratic centralism to strengthen the unity and unification of the party; on founding a contingent of leading cadres who are full of vigor through implementation of the policy that seeks to make the contingent of cadres more revolutionized, younger, better educated and more competent with expertise; and on using rigorous methods to consolidate the party, combating corruption and strengthening party discipline—all these ideas are important developments of the party building theory and show the right direction for party building. In the constantly changing situation of the contemporary world and in the course of the great changes brought about by the reform, opening and modernization drive in contemporary China, it is a great project to build the party into a political party of Marxism which is armed with the theory of building socialism with Chinese characteristics, which serves the people whole-heartedly, which is fully consolidated ideologically, politically and organizationally, which can withstand the tests of all hazards, and which always advances ahead of the times. This undertaking was initiated by the second generation central leading body with Comrade Deng Xiaoping at the core and is being carried forward by the whole party under the leadership of the third generation central leading body with Comrade Jiang Zemin at the core.

5. The party must be capable of recognizing, enhancing and upgrading itself under the new situation of reform and opening-up, and conscientiously study and solve the new contradictions and new problems that crop up in the course of its self-building. The reform and opening-up drive has injected new vitality into party building, and at the same time, party building is faced with many complex circumstances. Our party now has more than 54 million members, and the tasks of education and management are heavier than ever before. In the face of new circumstances, our work is not yet fitting. In some places and units, party organizations do not care about party affairs, party management is not strict, and they are found lax in discipline and organization, so that there exist problems ideologically, organizationally and in work style that can not be ignored. In particular, some negative factors and corruptive manifestations are growing within the party and seriously eroding the ranks of party members and cadres. In view of this, the whole party must be on high alert and attach big importance to conscientiously and effectively solving them.

It is necessary to continue to place the party's ideological building in first place, and propel the whole party to continuously broaden and deepen the study of the theory of building socialism with Chinese characteristics. The study must center on the basic question of what is socialism and how it should be built, be connected with reality and made to grasp the scientific system of the theory so as to unify the thinking of the whole party and uphold its basic line unwaveringly for a hundred years to come.

It is necessary to continue to do well in improving the party's work style and carry out the anti-corruption struggle in a penetrating and sustained way. There should be a deep understanding that the work style of the ruling party is an issue that concerns its life or death. Constant and new achievements should be made in such aspects as promoting the cleanliness and self-discipline of leading cadres, handling cases violating law and discipline, and rectifying unhealthy tendencies; an effective supervision and restrictive mechanism should be established and improved step by step; the fine tradition of hard work should be carried forward, and the link between the party and the masses of the people should be enhanced.

The party's ideological building, organizational building and work style improvement are an integrated issue and are inter-related and promote one another. At present, while efforts are made to implement the plan of the Central Committee on ideological building and work style improvement in an all-round way, strengthening organizational building has become a prominent link. Accordingly, three questions concerning organizational building should be especially put forward and solved:

—It is necessary to further persist in and improve democratic centralism. Special attention should be paid to systematic construction to apply improved

systems to ensure inner-party democracy, safeguard the authority of the Central Committee and guarantee that the whole party takes unified action on important issues.

—It is necessary to further consolidate and reinforce the millions of grass-roots organizations of the party, so that they become fighting bastions that are able to unite and lead the masses in carrying out reform and opening-up and modernization construction.

—It is necessary to further cultivate and train tens of thousands of medium and high ranking leading cadres, especially to train and select a large number of young cadres with both ability and integrity, so as to form a capable and energetic leading stratum that persist in taking the road of building socialism with Chinese characteristics and is good at studying new circumstances and solving new problems.

Under the leadership of the third generation leading body with Comrade Jiang Zemin at the core, the whole party should continue to focus on party building, and strive to upgrade party building to a new level.

Two. Persist In and Improve Democratic Centralism

6. Democratic centralism is a fundamental organizational and leading system of our party. The party has creatively applied the principle of democratic centralism to work out the basic rules and specific systems for correctly standardizing inner-party political life and handling inner-party relations. This has become its distinct features in organizational building. Since the party took power nationwide, it has applied the system to government building, and carried out the principle of democratic centralism in state organs.

Democratic centralism is a combination of centralism on the basis of democracy and democracy under the guidance of centralism, and constitutes an application of the Marxist theory of cognition and the mass line in inner-party political life and organizational building. The democracy in democratic centralism means a full expression of the will and ideas of party members and organizations and a full play of their enthusiasm and creativity; the centralism in democratic centralism means the concentration of the whole party's will and wisdom and its unified action. Implementation of the system is aimed at striving for a lively political situation in which there are both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind and liveliness.

During its long practice, the party has accumulated successful experience in implementing democratic centralism, as well as bitter lessons drawn from the "Cultural Revolution" when huge damages were inflicted upon the party and state due to a severe disruption of democratic centralism. Implementation of democratic centralism has a bearing on the success or failure of the party's cause. Since the Third Plenary Session of the 11th

CPC Central Committee, the party has done much in restoring and improving democratic centralism and inner-party political life is increasingly becoming normal and active, providing an organizational guarantee for constantly achieving new breakthroughs in socialist modernization. Historical experience tells us that democratic centralism is a scientific, rational and efficient system. It facilitates the manifestation of the basic interests and will of the masses of the people, and facilitates the correct drafting and implementation of the party's line, principles and policies, and even if it makes mistakes, it can effectively rectify them; system construction is of a fundamental, overall, stable and long-term nature, and it is necessary to further improve a series of systems concerning democratic centralism, so that it will not change with a change in leaders or with a change in their ideas and their focus of attention; it is necessary to uplift the consciousness of the whole party, leading cadres in particular, in implementing democratic centralism, to oppose all erroneous tendencies that run counter to or negate the system, and to prevent individual arbitrary acts and extreme democracy.

Our country is currently undergoing an extensive and profound social change, and this all the more requires our party to uphold and improve democratic centralism, and definitely not weaken or discard democratic centralism. It should be especially pointed out that the socialist market economic system is connected with the basic system of socialism, and it aims to enable the market to play a basic role in distributing resources under the state's macro regulation and control. In establishing the socialist market economic system, it is necessary to mobilize all positive factors and give full play to the initiative and creativity of the whole party and the whole people; it should be done under overall planning, through cooperation and coordination, in an orderly way and step by step; it needs to constantly enhance understanding and application of objective laws in practice; and it should be standardized and guaranteed with a complete legal system. All this will not be separated from the correct leadership of the party and the state in line with democratic centralism. It's wrong to think that carrying out the socialist market economy can do without democratic centralism in the system of party and state leadership, or to think that persisting in democratic centralism means a retreat to the old path of the planned economy. At present, our party's implementation of democratic centralism is generally good, but there are still many problems. Insufficient democracy and insufficient centralism both exist to different degrees. Some localities and departments have not put sufficient strength in implementing certain decisions of the central authorities, and some orders are not carried out, and even ignored. The democratic and scientific decision-making is not complete in some aspects. In view of this situation, it is now necessary to truly enhance education in strengthening democratic centralism in the whole party, among leading cadres in particular, to improve

various concrete systems for implementing democratic centralism, and improve the various principles guiding inner-party political life.

7. Promoting democracy within the party and bringing the initiative of the whole party into full play. If there is no democracy, there will be no socialism, nor socialist modernization. The essence of socialist democracy is that the people are masters of their own country. This most extensive people's democracy is essentially different from bourgeois democracy, and it is also completely different from anarchism which denounces discipline and order. The promotion of inner-party democracy will definitely stimulate the people's democracy, and this is also an important way for building socialist democratic politics. Inner-party democracy should be developed at different levels, in many aspects and through multi-channels. The purpose of inner-party democracy is to realize the party's general program, its point of departure is to guide, protect and promote initiatives, and it should be carried out in close connection with the functions of party organizations and the rights and obligations of party members. It is necessary to encourage party members to emancipate the mind, seek truth from facts, have the courage to explore new things and dare to tell the truth. Democracy should be fully implemented at all levels from the party Central Committee to every party branch, from the decision-making of leading organs to the participation in policy discussions at party meetings or on party newspapers and magazines, and from inner-party election to the appraisal and supervision of leading cadres.

Democratization of policy-making is an important part for promoting inner party democracy and a prerequisite for making policy-making more scientific. It is necessary to establish and improve a policy-making system that combines leaders, experts and the masses, and to gradually perfect a system of democratic and scientific policy-making. The leading bodies and leading cadres of the party should develop a democratic style of work, and adhere to the mass line of "from the masses to the masses" and "carry on what having been collected." They should fully respect the initiative of the masses, and sum up in time the rich experiences from grass-roots organizations and from practice. They should heed the opinions from various quarters, including objections. Party organizations at the higher level, in making important decisions relating to party organizations at lower levels, should heed the opinions of the lower-level organizations.

In order to promote inner party democracy, it is necessary to safeguard in real earnest the democratic rights of party members and party organizations at various levels. Channels for inner party democracy should be smoothed out and widened so as to let party members know more about, and take a more active part in, inner party affairs. The principles, policies, directives and resolutions of the party should be communicated in time to lower-level party organizations and to party members. Some important matters should be discussed first within the party

and made known to party members at an early time. The rights of party members which are stipulated in the party constitution should not be violated by any organizations or individuals. It is necessary to formulate regulations on protecting the rights of party members, and to define principles for the correct exercise of the rights by party members along with measures for guaranteeing their exercise of the rights.

8. Strengthening centralism based on democracy so as to implement effectively the party's line, principles and policies. Democracy and centralism supplement each other and are inherently unified. There is no correct centralism without democracy. Neither the correct line, principles and policies nor a unified will of the whole party can be formed without centralism. Centralism means to pool correct opinions and make them common understanding of the majority so as to make correct policies and put them into effect resolutely.

Ours is a developing country with a vast territory and a huge population, and our party faces the arduous and complicated tasks of reform and construction. Only by upholding the authority of the party central committee can the cohesiveness and fighting capabilities of the party be enhanced, the unification of the country, solidarity of all ethnic groups and social stability be maintained, the smooth progress of reform, opening-up and the modernization drive be guaranteed, the common prosperity of people of all ethnic backgrounds be achieved, and socialist material and ethical progress be made at the same time. There lies the supreme interests of the whole party and people of the whole country. The party constitution stipulates that individual party members should be subordinated to party organizations, the minority to the majority, lower-level organizations to higher-level organizations, and all party organizations and party members to the National Congress and the Central Committee of the party. The most important of the "four subordinations" is that the whole party should be subordinated to the Central Committee. The history of the party has proved that there must be a firm central leading body which is formed through practice and there must be a core in this leading group. Without such a leading group and core, the cause of the party can not possibly be victorious. This is a major issue with regard to the upholding of democratic centralism.

To safeguard the authority of the Central Committee, the smooth implementation of the policies and directives of the Central Committee should be guaranteed and the matters on which decisions have been made should be handled in earnest by all quarters. The whole party should maintain unity with the Central Committee in terms of the party's basic line and general principles, policies and goals and of major issues of overall importance. Party organizations at all levels and all party members should observe the Constitution and the laws of the country in an exemplary way. Various localities and departments should keep the overall interests in mind, carry out the resolutions and decisions of the party

central committee resolutely, work in a creative way in the light of the actual conditions, and ask for instructions and submit reports on important issues.

To bring into full play the initiatives of the localities under the unified leadership of the party Central Committee is an important guiding principle we have always adhered to. To give full play to the initiatives of the localities means a combination of implementing the spirit of the party Central Committee and proceeding from local realities, and a unity of being responsible for both local people and people of the whole country. Emphasis on upholding the authority of the central committee does not mean to withdraw the power that should be vested with the localities, but to give full play to the initiatives of both the central and local authorities on the basis of rationally defining their duties and power.

The central departments should correctly exercise their duties and rights granted to them by the Central Committee, transform their functions in an earnest way in line with the demands of reform, correctly handle the relations between sectoral and overall interests, and strengthen and improve macro-control and macro-management so as to better serve the local and grassroots organizations.

9. Upholding and improving the system of combining collective leadership and division of labor with individual responsibility. All major matters relating to principles and policies, all issues concerning overall interests, all issues in connection with recommendation, appointment and removal, and rewards and punishment of cadres in important positions should be determined collectively by central or local party committees. Decisions on major issues should be made through deliberation, consultation and discussion, and by vote according to the principle of minority being subordinate to majority. No individual has the right to change collectively-made decisions. Individuals or the minority are allowed to reserve their differing opinions but must obey the decisions unconditionally and implement them actively.

Neither collective leadership nor division of labor with individual responsibility should be overemphasized at the expense of the other. It is necessary to promote the spirit of leading cadres daring to assume responsibility, and to oppose the practice of shirking responsibility and wrangling back and forth which results in none being held responsible for problems that will arise. Members of party committees should earnestly perform their duties in keeping with collectively-made decisions and their division of work and, at the same time, should pay attention to work relating to overall interests and take an active part in the collective leadership. Within a party committee, there should be equality between the secretary and other members. The secretary shoulders the chief responsibility in collective leadership and should be a model for implementing democratic centralism. Members of a party committee should trust, support,

understand and supplement each other. Those efforts include mutual help in overcoming shortcomings and mistakes, so as to constantly enhance the unity of the leading body.

Leading party members' groups and party cadres in responsible positions in state and government departments at central and local levels and in mass organizations should conscientiously accept the leadership of central and local party committees. Major issues should be submitted to party committees for discussion before any decisions are made, be consulted with all quarters within the state and government departments and mass organizations, and be handled according to the legal procedure and relevant regulations. The party should operate within the scope of the Constitution and laws, and be adept in organizing and coordinating efforts from all quarters and bringing into full play the functions of all organizations, so as to exercise correct leadership.

Rules and regulations on the work of party committees at central and local levels should be formulated on the basis of summing up experiences, so as to further clarify and standardize the scope of duty, rules of procedure and the policy-making process of party committees and their standing committees. The system of party congresses should be improved so as to bring into fuller play the roles of plenary sessions of the central and local party committees.

10. Strengthening and improving inner party supervision and enforcing party disciplines. The essence of inner party supervision is that proceeding from the interests of the people, the party practices self-discipline and self-improvement in accordance with the demand of running the party strictly. This primarily means to oversee whether party organizations and party members correctly implement the line, principles and policies of the party, whether they correctly wield the power given by the people, and whether they strictly observe the rules and regulations of democratic centralism. The emphasis of inner party supervision should be put on the party's leading bodies and leading cadres at various levels. Under the conditions of developing the socialist market economy, it is necessary to pay particular attention to preventing violations of the laws and disciplines by party cadres. Party members of whatever occupations or in whatever leading positions should all strictly observe the party's disciplines, and conscientiously accept the supervision by party organizations and the masses. The principle of everybody being equal before disciplines should be upheld and those party members who violate disciplines should be investigated and dealt with severely.

Criticism and self-criticism are effective weapons for enforcing inner party supervision. It is necessary to persist in and strengthen the system of regular activities of party organizations and the system of meetings of democratic life for leading party cadres, to encourage heart-to-heart talks among party members, and to make earnest criticism and self-criticism out of the wish for

unity, so as to distinguish right from wrong, unite all the comrades, overcome shortcomings and improve work.

It is necessary to improve the inner-party supervision system and formulate corresponding rules and regulations. Discipline inspection organs at all levels should display their roles to the full with regard to inner-party supervision. Inner-party supervision should be combined with the supervision by the people, the supervision by the media and the supervision by non-communist parties and personages without party affiliation, and the supervision from the top to the grass roots should be combined with the supervision from grassroots to top so as to form gradually a powerful supervision system that will ensure the health of the party and the smooth fulfillment of all tasks.

Three. Strengthening and Improving Building of Party's Grass-roots Organizations

11. The grass-roots organizations of the party are the basis for carrying out all party work and for building up the fighting capability of the party. They undertake the important responsibilities of forging direct links with the masses of the people, spreading the party's ideas among them, organizing and rallying them, and implementing the line, principles and policies of the party. The progress of reform, economic development and social stability all depend on the full display of the roles of grass-roots party organizations as towers of strength and the exemplary roles of party members as the vanguard. Great efforts must be made to build well the grassroots organizations of the party. It is wrong and harmful to loosen the grasp of the building of the party's grass-roots organizations and weaken their roles.

Grass-roots party organizations, uniting and leading the broad masses of the people, have worked hard in the pioneering spirit and scored new achievements in reforms and opening to the outside world and in the modernization drive. Many party members bear the brunt of emergencies, difficulties, dangers and heavy tasks and rush to the fore at critical moments and sacrificed their own interests for the sake of others, exhibiting the fine qualities as the vanguard fighters of the working class and the style of the times. At the same time, there have arisen many new situations and new problems in the building of grass-roots party organizations. The development of multi-economic elements, the adjustment in the relations among different interest groups and the diversification of operations have made it necessary to improve the work of grass-roots party organizations; as there have been increasing numbers of new economic and social organizations, party organizations should be established according to the actual circumstances and carry out their activities accordingly. As a large number of labor are moving around different industries and regions, it is necessary to take effective measures to organize the party members on the move; as negative factors and corruption corrode the organic mechanism of the party, it is necessary to educate the

party members and manage them well so that they will keep to the purpose of the party and preserve the true colors as the vanguard of the working class. There are many aspects in the building of grass-roots party organizations that are incompatible with the requirements of the new situation. What should be pointed out in particular is that some grass-roots party organizations are weak and lax in discipline and some are even in a state of paralysis. Some grass-roots cadres are incorrect in their styles of work and divorced from the masses of the people; some party members fail to play the exemplary role. The problems are inseparable from the fact that some leading party organs have slackened their efforts to build up grass-roots party organizations. This merits full attention and earnest efforts for solution.

12. The guiding principles for building the grass-roots party organizations are: First, it must be centered round the basic line of the party and serve the purpose of fulfilling the party's central tasks and the real results of the fulfillment of the tasks of their respective units should be the criteria for judging the work of the grass-roots party organizations; second, it is essential to study the new situations and solve new problems in the spirit of reform, carry out renovation and creation by employing the successful available experiences and improve the activities and methods of work of grass-roots party organizations; third, the inner party activities must be carried out strictly and party discipline be tightened so as to give full scope to the healthy trends and suppress the evil ones, preserve the advanced nature and purity of the ranks of the party and enhance the capabilities of grass-roots party organizations to resolve their own contradictions; fourth, the building of grass-roots party organizations must be carried out on the basis of routine work and with perseverance, with both practicable long-term plans and measures to solve the current pressing outstanding problems.

Party committees at all levels should perfect their responsibility system with regard to the building of grass-roots party organizations. Departments concerned of the party Central Committee, and the party committees of provinces, autonomous regions and municipalities under the direct administration of the central government should conduct investigations and study regularly and provide guidance in line with different circumstances and arrange work properly and make earnest efforts to supervise and speed up the fulfillment of the tasks assigned. The key to strengthening rural grass-roots party organizations lies in the county party committees while the chief responsibility for strengthening urban grass-roots party organizations rests with municipal party committees. Whether or not the work of building grass-roots party organizations is done well should be made an important criterion for judging the performances of municipal and county party committees and their secretaries.

13. Grass-roots party organizations should do their own work well in line with their respective characteristics and

strive to become the towers of strength that unite and lead the masses of the people in the reforms and economic construction.

The township (town) party committees and village party branches in the rural areas should all conscientiously implement the rural policies of the party and play the nucleus and leading role in deepening rural reforms, developing the rural economy in an all-round manner, building socialist culture and ethics, leading the peasants in the drive for a comfortably well-off life and common prosperity and progress. In building village party branches, the following four aspects of work should be done well: First, to elect a good leading body, especially a secretary who is conscientious in implementing the party's line, principles and policies, upright and honest, young and capable of leading the masses of the people in working for prosperity; second, to establish a development approach best suited to the local conditions, stabilize and perfect the household-based responsibility system that ties payment to output and the two-tier operational system that combines centralization with diversification, run all kinds of economic entities and gradually boost the strength of the collective economy and increase the income of peasants on the basis of increased production; third, to do ideological and political work well, popularize scientific and cultural knowledge, educate party members and make them display their vanguard and exemplary role, improve the educational quality of the peasants, resist and break away with feudalistic superstitions and other ignorant and backward ideas and the influence of the decadent ideas of the bourgeoisie and make patriotism, collectivism, socialism and healthy, civilized and progressive customs and conventions prevail in the rural areas; fourth, to strengthen the building of other village level organizations with the party branch as the core and at the same time build the democracy and legal system and take comprehensive measures to maintain the social order, set up and perfect the democratic supervision system and village regulations and the rules of conduct for villagers so as to motivate the peasants as the masters of the country. Special teams should be sent to help rectify and correct party branches that are weak and lax in discipline or those that have been paralyzed. The pressing tasks for the present are to set straight the leading bodies and solve the most outstanding problems. The whole tasks should be completed, stage by stage and group by group, within three years.

State-owned enterprises should give full scope to the political and nucleus role of their party organizations, persist in and perfect the system with directors (managers) assuming the sole responsibility and rely on the working class whole-heartedly. The party organizations in state-owned enterprises should carry out their activities within the framework as provided by the party constitution and the relevant laws and regulations of the state. They should regard as both the starting point and foothold of their work the reform of enterprises, the

shifting of operational mechanisms and the improvement of economic efficiency. It is necessary to sum up earnestly the experience in the participation of party organizations in making major policy decisions with regard to enterprises and in ensuring and supervising the implementation of the principles and policies of the party and state so as to enrich and improve them. It is necessary to strengthen and improve the ideological and political work, improve the quality of the workers, make party members influence and lead other workers with their exemplary deeds in the concerted efforts to run the enterprises well. State-owned enterprises should give full scope to the political and nucleus roles of their party organizations in the course of establishing a modern enterprise system and explore actively in practice and gradually improve the leadership system of the enterprises and improve and strengthen the party's work. The party work should be strengthened in enterprises of all other ownerships. Enterprises which have not established party organizations should actively create the conditions for establishing them and those party organizations should carry out their work and activities in the way best suited to their respective conditions.

Party building in schools should be conducted around the reform and development of the schools and the tasks of strengthening and improving moral education and bringing up builders of and successors to the socialist cause with lofty ideals, socialist ethics, cultural knowledge and a sense of discipline. The grass-roots party organizations in education, science and technology, culture and public health and other organizations should seriously implement the party's policies toward intellectuals and strengthen party's work among them. The grass-roots party organizations in the party organs and government institutions should do ideological and political work well in close connection with their professional work and strengthen the supervision over their party members and leading cadres. Grass-roots party organizations in neighborhood communities and other places should also take specific measures to strengthen and improve their own construction according to their respective different circumstances.

Grass-roots cadres engaged in party work and ideological and political work are in the forefront where the conditions are harsh and tasks are heavy. While encouraging among them the spirit of working hard and being not upset by criticisms for the sake of the party and the people, it is necessary to support their work, show concern for them ideologically and in their daily life and help them overcome real difficulties.

14. Strengthen and improve education and management of party members, with the objective of improving their quality and enhancing their party spirit. From now on, a drive for studying the theory of building socialism with Chinese characteristics and the party constitution should be launched in a planned way and step by step among all party members in the next three years. The study should be linked with current situation and tasks and with the

state of the mind and work of the party members and emphasis should be put on the solution of the following three problems: First, to foster the lofty ideals of communism, buttress their confidence in following the socialist road with Chinese characteristics, heighten the awareness of upholding party's basic theories and basic line and be models in implementing the party's policies; second, to persist in the purpose of serving the people whole-heartedly, maintain close contact with the masses of the people, be clean and honest in performing public duties, observe discipline and abide by the laws, and consciously resist the corrosion by money worship, egoism and decadent way of living; third, to earnestly perform the obligations stipulated in the party constitution, correctly exercise their rights and make meritorious deeds and contributions in the reforms and economic development. The various departments under the party central committee and the party committees of all provinces, autonomous regions and municipalities under the direct administration of the central government should make specific arrangements in accordance with the above requirements and in line with their actual circumstances.

Education of party members should be combined with the efforts to improve the management of party members. Vigorous efforts should be made to commend advanced grass-roots party organizations and outstanding party members, properly handle party members not up to the required standards and resolutely clear corrupt elements out of the party. Organizational departments of the party should work out effective measures for managing party members who are moving from one place to another. The recruitment of new party members should be conducted according to the principle of upholding the required standards, ensuring quality, improving the structure and recruiting new members cautiously so as to constantly inject fresh blood into the party. It is necessary to recruit more new party members among those who work in the forefront of production and to pay close attention to bringing up and admitting the fine elements among the youth and women into the party. The Communist Youth League organizations should do well in recommending outstanding league members as candidates for admittance into the party.

Four. Training and Selecting Leading Cadres of Both Political Integrity and Ability

15. Training and selecting leading cadres of both political integrity and ability is a major issue of overall importance. The key to persisting in the basic theory and basic line of the party, keeping the long-term governing and stability of the party and state, and advancing reform, opening to the outside world and modernization lies in our party, especially the leading cadres of the party and government at and above the county level. The brand-new cause of building socialism with Chinese characteristics and the complex international environment have posed new and higher demands on leading cadres at various levels. In the meantime, the replacement and cooperation between the old and new cadres

are an endless historical process. In recent years, a large number of veteran cadres who went through revolutionary struggles of a long time have quitted from leading posts while cadres who became matured after the founding of the People's Republic have gradually become the main part of the leading bodies at various levels. However, the low quality and lacking of young cadres in some leading bodies are still prominent problems. This poses two significant and urgent strategic tasks for our party: Firstly, the quality of leading cadres should be raised comprehensively so that leading bodies at all levels will be built into strong leading collectives which carry out the party's basic line firmly, serve the people whole-heartedly and have the ability in leading the modernization drive; secondly, it is necessary to pay close attention to the training and selection of excellent young cadres and work hard to bring up a large number of leading personnel who are able to shoulder heavy responsibilities in this and the next centuries.

16. The art of leadership, politically speaking in particular, of high-ranking cadres, especially the main leading cadres of the party and government at and above the provincial and ministerial levels, has a bearing on the future and fate of the party and state. These cadres should strive to become not only experts who are knowledgeable and competent at their jobs but first of all, become statesmen loyal to Marxism, persisting in the road of socialism with Chinese characteristics and capable of managing affairs of the party and state. They should possess firm political faith, always remain sober-minded, conscientiously uphold the party's basic theories and line and stand firm against various kinds of tests; they should have a broad vision, be familiar with the conditions of the country, keep abreast of the developments in the rest of the world, emancipate the mind and seek truth from facts, and be practical and creative in blazing new trails; they should be broad-minded, uphold the party spirit, take the overall situation into consideration, carry out democratic centralism in an exemplary way, be evenhanded and honest, appoint people on their merits and be good at uniting with comrades to work together; they should be equipped with a strong ability of leadership, pay attention to the art of leadership, and be good at analyzing the situation, having the situation in hand and coordinating all forces; they should have a good working style, be honest, hard-working and willing to make arduous efforts and go deep into the realities of life to do investigations and study the situation, be modest and prudent, maintain close links with the masses and serve the people's interests whole-heartedly. We must, in line with these requirements, not only improve the qualities of high-ranking cadres now available, but also train and select successors.

17. To strengthen conscientiously the training and education of leading cadres of the party and government at and above the county level, young cadres in particular. Training and education are the basis of making use of personnel. It is near-sighted to focus on making use of personnel while ignoring training and education. It is

necessary to unremittingly conduct the training and education of cadres as a fundamental job of overall importance. Leading cadres at and above the county level should be organized to study Marxism, Leninism and Mao Zedong Thought, with the focus on studying and grasping comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. Meanwhile, they should study the theory and basic knowledge on the socialist market economy, modern science and technology, law, world history, and Chinese history especially the modern and contemporary history and the history of the Communist Party of China. By learning and practising, they should establish a right outlook of the world and life, become more conscientious in persisting in the party's basic line and doing their work in line with principles, systematically and with increased foresight and creativeness. The tendency of being bogged down in routine affairs and social intercourses and ignoring and slackening study must be overcome. It is necessary to work out feasible plans of education and training in compliance with different requirements for different leading posts, train leading cadres of the party and government at and above the county level by stages and in groups, check their performance in the study and regard the results as an important basis for appointing leading cadres. The education reform of party schools and various cadre schools should be actively enhanced so that they can better serve the goal of training leading cadres of both political integrity and ability.

It is necessary to adopt multiple ways, in the light of how leading party and government cadres become matured, of giving them a free hand in being tempered in practice. The training of promising young cadres should be stepped up. Those lacking experience in comprehensive leading work should be put to key leading positions at certain levels as early as possible to bear a heavier task; those lacking experience in grass-roots work should be sent to grass-roots positions to be tempered. Young cadres should be encouraged, guided and deployed to work on trials in grass-roots units, among the masses and in the forefront of reform and construction, especially in the environment with hard conditions or complicated situations.

18. To attach great importance to the discovery and use of talents and speed up selection of a large number of excellent young cadres. It is necessary to carry out comprehensively and accurately, under the new historic conditions, the guideline on the ranks of cadres (making the ranks of cadres more revolutionary, younger in average age, better educated and more professionally competent) and the principle of both political integrity and ability. A cadre's political integrity and ability should be judged mainly by his merits in carrying out the party's basic line, and public opinion should also be taken into account in the selection and appointment of cadres. Outworn concepts, such as considering seniority only, nitpicking or patronizing, should be abandoned, so that talents can be selected by not sticking to one pattern. It is necessary to broaden the way of recommending

talents, avoid selecting cadres only from within the party and governmental institutions or among a few familiar people around and oppose appointing people by favoritism. Good cadres, young cadres in particular, who have made outstanding merits in reform, opening to the outside world and modernization drive and are trusted by the masses should be promoted boldly and be entrusted with important responsibilities. Those who are of poor ideological and moral character, resort to deception and ask for higher positions should never be promoted. It is necessary to pay close attention to the selection and training of key officials in various leading bodies of the party and government organizations at all levels, and the selection and training of women cadres, cadres of ethnic minorities and non-communist cadres. The retirement system of cadres should be strictly carried out and the work relating to cadres' retirement should be done in real earnest.

19. To speed up the reform of the important systems including selection and appointment of leading cadres of the party and government. It is necessary to persist in the principle of the party managing the appointment of cadres, improve relevant methods, continue to expand democracy, perfect the assessment system, increase exchanges and tighten up supervision so that a personnel system full of vigor can gradually be set up to enable excellent talents to be spotted and promoted.

To expand democracy in the selection and appointment of leading cadres. The mass line should be upheld in selection of cadres either through election, appointment or engagement and it is necessary to adopt the way of democratic recommendation, conducting public opinion polls or democratic assessment so that the masses can increasingly participate in the process. Meanwhile, organizational scrutiny should be conducted conscientiously and decisions should be made collectively by party committees. Those who do not have the support of the majority of the masses should not be promoted.

To perfect the assessment system of leading cadres, and combine it with the systems of promotion and penalty. It is necessary to check the cadres' political integrity, ability, diligence and merits comprehensively, pay close attention to their working merits and uphold the assessing method of combining the views from the leadership and the masses. Relevant departments should work out a scientific assessing system and standards in line with different characteristics of different leading posts to conduct comprehensive assessment on cadres' merits and reach an accurate conclusion. The results of assessment should be the basis of implementing promotion, demotion, rewarding and penalty. Arrangements should be made to those who are not qualified for their current posts. It is necessary to set up a system under which cadres are ready to work at higher or lower positions.

To implement conscientiously the exchange system of leading cadres, which is combined with the withdrawal

system (to avoid leading cadres and their direct relatives working in the same organization) and the terms of appointment of all leading bodies. Exchange of cadres should be done according to plans and by steps between upper and lower institutions, between regions, between regions and departments, between party and government organizations, and between economically better developed and relatively backward regions, so that they can experience tests in various environment and posts and increase their talent and ability. The exchange of cadres at ministerial and provincial level should be increased and the exchange at prefectural and county levels must be further conducted, while paying attention to the relative stability of leading bodies. Party committees at all levels must plan in a coordinated way the exchange of leading cadres, make detailed arrangements, do a good job ideologically and politically, carry out the party discipline strictly and overcome the bad tendency under which cadres cannot be moved in and out.

Supervision and scrutiny on the work of selecting and appointing leading cadres should be tightened carefully and unhealthy practice in personnel arrangements should be firmly prevented and corrected. It is necessary to work out and implement a regulation on selection and appointment of leading cadres of the party and government, and standardize and systemize the job. Those who do not conform to the party's principles, break organizational and personnel disciplines and indulge in mal-practices on personnel arrangement must be dealt with seriously.

The national system of public servants should be implemented in real earnest. It is necessary to research and review the various systems of selecting leading cadres experimented in some regions and at a certain level in recent years, such as fixing the terms of office, engaging cadres, appointing cadres after some time of probation and combination of public recommendation and examination, and improve them in a continuous way.

20. All party committees (or party cadres' group) must work out concrete measures according to their own conditions and carry out this decision in real earnest. Party construction in the People's Liberation Army should be conducted in accordance with arrangements made by the party's Central Military Commission in line with the spirit of this decision and the characteristics of the Armed Forces.

The plenary session calls on the whole party to rally closely round the party Central Committee with Comrade Jiang Zemin at the core, and under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, further strengthen and improve party building, enhance the party's cohesiveness and combat effectiveness, unite and lead the people of all ethnic groups in the whole country, and work hard for the great cause of building socialism with Chinese characteristics.

Details on Strengthening Party Building

OW0610080094 Beijing XINHUA in English 0710
GMT 6 Oct 94

[FBIS Transcribed Text] Beijing, October 6 (XINHUA)—The "Decision of the Central Committee of the Communist Party of China Concerning Some Major Issues on Strengthening Party Building" adopted at the Fourth Plenary Session of the 14th party Central Committee was published here today. The 13,000-word decision was acclaimed by the plenary session as the guiding document for party building in the new situation.

The decision consists of 20 points in four parts: One. The current situation and the tasks facing party building; Two. Persisting in and improving democratic centralism; Three. Strengthening and improving the building of the party's grass-roots organizations; Four. Training and selecting leading cadres of political integrity and ability.

The decision points out that at a time when drastic changes are taking place in the world and in the course of the great changes brought about by the reform, opening and modernization drive in China, it is a great new undertaking to build the party into a political party of Marxism which is armed with the theory of building socialism with Chinese characteristics, which serves the people whole-heartedly, which is fully consolidated ideologically, politically and organizationally, which can withstand the tests of all hazards, and which always advances ahead of the times. This undertaking was initiated by the second generation central leading body with Deng Xiaoping at the core and is being carried forward by the whole party under the leadership of the third generation central leading body with Jiang Zemin at the core.

The decision sums up the great achievements made by the party in its ideological, theoretical, political and organizational building and the improvement of its style of work. It points out that it is under the leadership of the party that China, over the past 16 years, has won great victories in various fields, victories that are now the focus of global attention. Deng Xiaoping has made contributions of historic importance to the establishment of the theory of building socialism with Chinese characteristics. Practice has proved that the Chinese Communist Party deserves to be called the staunch core of leadership for the cause of China's socialist modernization and, as the party in power, has lived up to the trust and expectations of the people.

The decision says that the party must, under the new situation of reform and opening-up, conscientiously study and solve the new contradictions and new problems that crop up in the course of its self-building. The party now has 54 million members, and the tasks of education and management are heavier than ever before.

The decision points out that it is necessary to continue to place the party's ideological building in first place, and

propel the whole party to broaden and deepen the study of the theory of building socialism with Chinese characteristics. It is necessary to continue to do well in improving the party's work style and carry out the anti-corruption struggle in a penetrating and sustained way. At present, strengthening organizational building has become a prominent link. Three questions concerning organizational building should be especially put forward and solved, namely, persisting in and improving democratic centralism, further consolidating and reinforcing the millions of grass-roots organizations of the party, and training and selecting leading cadres of integrity and ability.

On persisting in and improving democratic centralism, the decision says that democratic centralism is a fundamental organizational and leading system of the party. Democratic centralism is a scientific, rational and efficient system. It facilitates the manifestation of the basic interests and will of the masses of the people, and the correct drafting and implementation of the party's line, principles and policies. At present, it is necessary to truly enhance education in strengthening democratic centralism in the whole party, among leading cadres in particular, to improve various concrete systems for implementing democratic centralism, and improve the various principles guiding inner-party political life.

On strengthening and improving the building of the party's grass-roots organizations, the decision points out that the grass-roots organizations of the party are the basis for carrying out all party work and for building up the fighting capability of the party. Grass-roots organizations, uniting and leading the broad masses of the people, have worked hard in a pioneering spirit and have scored great achievements in reforms and opening to the outside world. At the same time, grass-roots organizations are facing many new situations and new problems. Great efforts must be made to build well grass-roots organizations of the party.

Training and selecting leading cadres of both political integrity and ability is a major issue of overall importance. The decision specifies two pressing tasks: First of all, the quality of leading cadres should be raised comprehensively so that leading bodies at all levels will be built into strong leading collectives which carry out the party's basic line firmly, serve the people whole-heartedly and have the ability in leading the modernization drive; and secondly, it is necessary to pay close attention to the training and selecting of excellent young cadres and work hard to bring up a large number of leading personnel who are able to shoulder heavy responsibilities in this and the next century. The decision raises specific requirements and measures for the fulfillment of the tasks.

The plenary session calls on the whole party to rally close round the party Central Committee with Jiang Zemin at the core, and under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics

and the party's basic line, further strengthen and improve party building, enhance the party's cohesive-ness and combating effectiveness, unite and lead the people of all ethnic groups in the whole country, and work hard for the great cause of building socialism with Chinese characteristics.

Further on Party Building

*OW0610075594 Beijing XINHUA in English 0716
GMT 6 Oct 94*

[FBIS Transcribed Text] Beijing, October 6 (XIN-HUA)—It is a great project to build the Communist Party of China (CPC) into a political party of Marxism armed with the theory of building socialism with Chinese characteristics, serving the people whole-heartedly and consolidated ideologically, politically and organizationally, and a party which can withstand the tests of all hazards.

This is a undertaking which was initiated by the second generation of CPC central leadership with Deng Xiaoping at the core and is being carried forward by the whole party under the leadership of its third generation with Jiang Zemin at the core, said a decision of the CPC Central Committee adopted at a plenum in September.

The decision, focusing on important issues of the party itself, stressed that the party is the force at the core leading and uniting the Chinese people in undertaking the cause of building socialism with Chinese characteristics. As a ruling party, it shoulders historic tasks while undergoing the tests of times and, therefore, must strengthen its own building and constantly improve its performance of leadership and raise its standards as a ruling party.

Summing up the achievements made in the aspects of ideological, theoretical, political, organizational and work style building since the Third Plenum of the 11th party Central Committee in 1978, the decision pointed out that it is under the leadership of the party that China, over the past 16 years, has won great victories in various fields. Deng Xiaoping has made contributions of historic importance to the establishment of the theory of building socialism with Chinese characteristics. Practice has proved that the party is worthy of the name of the staunch core of leadership for the cause of China's socialist modernization and, as the party in power, it has lived up to the trust and expectations of the people.

The decision said that currently the major policies and principles for various fields have been determined. For the nation to develop the socialist market economy, expand socialist democracy and promote socialist ethical standards, with economic construction always taken as the focus of all work, it is imperative to ensure a staunch leadership by the party and further strengthen party building.

It pointed out that the party must be capable of recognizing, enhancing and upgrading itself under the new

situation of reform and opening-up, and conscientiously study and solve the new contradictions and new problems that crop up in the course of its self-building. The reform and opening-up drive has injected new vitality into party building, and at the same time, party building is faced with many complex circumstances. The party now has more than 54 million members and the tasks of education and management are heavier than ever before.

It is necessary to continue to put the party's ideological building in the first place, and propel the whole party to continuously broaden and deepen the study of the theory of building socialism with Chinese characteristics. It is necessary to continue to do well in improving the party's work style and carry out the anti-corruption struggle in a penetrating and sustained way, the decision said.

At present, it said, while efforts are made to implement the plan of the Central Committee on ideological building and work style improvement in an all-round way, strengthening organizational building has become a prominent link. Accordingly, three questions concerning organizational building should be especially put forward and solved:

- To persist in and improve democratic centralism, ensuring inner-party democracy, safeguarding the authority of the central committee and guaranteeing that the whole party takes unified action on important issues.
- To consolidate and reinforce the grassroots organizations of the party, so that they are able to unite and lead the masses in carrying out reform and opening-up and modernization drive.
- To cultivate and train tens of thousands of medium and high ranking leading cadres, especially to train and select a large number of young cadres with both ability and political integrity, so as to form a capable and energetic leading stratum that persist in taking the road of building socialism with Chinese characteristics and is good at studying new circumstances and solving new problems.

Grass-Roots Party Building

*OW0610075394 Beijing XINHUA in English 0723
GMT 6 Oct 94*

[FBIS Transcribed Text] Beijing, October 6 (XIN-HUA)—The decision of the Central Committee of the Communist Party of China concerning some major issues on strengthening party building emphasizes that great efforts should be made to build grassroots party organizations well.

The decision, adopted at the Fourth Plenary Session of the 14th Central Committee of the CPC on September 28, points out that the grassroots organizations of the party are the basis for carrying out all party work and for building up the fighting capability of the party. The progress of reform, economic development and social

stability all depend on the full display of the roles of grassroots party organizations as towers of strength and the exemplary roles of party members as the vanguard.

It says that grass-roots party organizations, uniting and leading the broad masses of the people, have worked hard in the pioneering spirit and scored new achievements in reforms and opening to the outside world and in the modernization drive. Many party members bear the brunt of emergencies, difficulties, dangers and heavy tasks and rush to the fore at critical moments and sacrifice their own interests for the sake of others, exhibiting the fine qualities as the vanguard fighters of the working class and the fine style of the times. At the same time, there have arisen many new situations and new problems in the building of grass-roots party organizations and there are many aspects in the building of grass-roots party organizations that are incompatible with the requirements of the new situation.

The decision says the guiding principles for the building of the grassroots party organizations are: First, it must be centered round the basic line of the party and serve the party's central tasks, and the real results of the fulfillment of the tasks of their respective units should be the criteria for judging the work of the grassroots party organizations; second, it is essential to study the new situations and solve new problems in the spirit of reform, carry out renovation and creation by employing the successful available experiences and improve the activities and methods of work of grassroots party organizations; third, the inner party activities must be carried out strictly and party discipline be tightened so as to give full scope to the healthy trends and suppress the evil ones, preserve the advanced nature and purity of the ranks of the party members and enhance the capabilities of grassroots party organizations to resolve their own contradictions; fourth, the building of grassroots party organizations must be carried out on the basis of routine work and with perseverance, with both practicable long-term plans and measures to solve the current pressing outstanding problems.

The decision sets forth new tasks facing grass-roots party organizations in rural areas, state-owned enterprises, schools, party organs and government institutions, neighborhood communities and other places, asking them to do work well and become towers of strength in rallying and leading the masses to carry on reform and construction.

The decision calls for a drive for studying the theory of building socialism with Chinese characteristics and the party constitution in a planned way and step by step among all party members in the next three years, with emphasis being placed on the solution of the following three problems: First, to foster the lofty ideals of communism, buttress their confidence in following the road of socialism with Chinese characteristics, heighten the awareness of upholding party's basic theories and basic line and be models in implementing the party's policies;

second, to persist in the purpose of serving the people whole-heartedly, maintain close contact with the masses of the people, be clean and honest in performing public duties, observe discipline and abide by the laws, and consciously resist the corrosion by money worship, egoism and decadent way of living; third, to earnestly perform the obligations stipulated in the party constitution, correctly exercise their rights and make meritorious deeds and contributions in the reforms and construction.

Training, Selecting Cadres

OW0610080594 Beijing XINHUA in English 0729
GMT 6 Oct 94

[FBIS Transcribed Text] Beijing, October 6 (XINHUA)—The "Decision of the Central Committee of the Communist Party of China Concerning Some Major Issues on Strengthening Party Building", passed at the Fourth Plenary Session of the 14th Central Committee of the Communist Party of China, points out that training and selecting leading cadres of both political integrity and ability is a major issue of overall importance.

The decision says that the brand-new cause of building socialism with Chinese characteristics and the complex international environment have posed new and higher demands on leading cadres at various levels. In the meantime, the replacement and cooperation between the old and new cadres are an endless historical process. In recent years, a large number of veteran cadres who went through revolutionary struggles of a long time have quitted from leading posts while cadres who became matured after the founding of the people's republic have gradually become the main party of the leading bodies at various levels.

The decision puts forward two significant and urgent strategic tasks: Firstly, the quality of leading cadres in service should be raised comprehensively so that leading bodies at all levels will be built into strong leading collectives which carry out the party's basic line firmly, serve the people whole-heartedly and have the ability in leading the modernization drive; secondly, it is necessary to pay close attention to the training and selection of excellent young cadres and work hard to bring up a large number of leading personnel who are able to shoulder heavy responsibilities in this and the next century.

The decision demands that high-ranking cadres should strive to become not only experts who are knowledgeable and competent at their jobs, but first of all, become statesmen loyal to Marxism, persisting in taking the road of socialism with Chinese characteristics and capable of managing affairs of the party and state.

The decision also asks to strengthen conscientiously the training and education of leading cadres of the party and government at and above the county level, particularly young cadres. High attention should be paid to the discovery and use of talents and speed up selection of a

large number of excellent young cadres. Good cadres, young cadres in particular, who have made outstanding merits in reform, opening to the outside world and modernization drive and are trusted by the masses, should be promoted boldly and be entrusted with important responsibilities. Those who are of poor ideological and moral characters, resort to deception and ask for higher positions should never be promoted. It is necessary to pay close attention to the selection and training of key officials in various leading bodies of party and government organizations at all levels, and the selection and training of women cadres, cadres of ethnic minorities and non-communist cadres.

The decision says that it is necessary to speed up the reform of the important systems including selection and appointment of leading cadres of the party and government; to expand democracy in the selection and appointment of leading cadres; to perfect the assessment system of leading cadres, and combine it with the systems of promotion and penalty. It is necessary to implement conscientiously the exchange system of leading cadres, which is combined with the withdrawal system and the terms of appointment of all leading bodies. Supervision and scrutiny on the work of selecting and appointing leading cadres should be tightened carefully, and the national system of public servants should be implemented in real earnest.

Upholding Democratic Centralism

OW0610081894 Beijing XINHUA in English 0735
GMT 6 Oct 94

[FBIS Transcribed Text] Beijing, October 6 (XINHUA)—The decision of the Central Committee of the Communist Party of China (CPC) concerning some major issues on strengthening party building points out that, as China is currently undergoing an extensive and profound social change, it is all the more required that the party should uphold and improve democratic centralism.

The decision, passed at the Fourth Plenary Session of the 14th CPC Central Committee on September 28, says that democratic centralism is a fundamental organizational and leading system of the CPC.

Democratic centralism is a combination of centralism on the basis of democracy and democracy under the guidance of centralism, and constitutes an application of the Marxist theory of cognition and the mass line in inner-party political life and organizational building, the decision says.

The democracy in democratic centralism means a full expression of the will and ideas of party members and organizations and a full play of their enthusiasm and creativeness; and the centralism in the democratic centralism means the concentration of the whole party's will and wisdom and its unified action, the decision says.

Implementation of the system is aimed at striving for a political situation in which there are both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind and liveliness, it says.

Since the Third Plenary Session of the 11th CPC Central Committee, the decision notes, the party has done much in restoring and improving democratic centralism and inner-party political life is increasingly becoming normal and active, providing an organizational guarantee for constantly achieving new breakthroughs in socialist modernization.

Historical experience tells us that democratic centralism is a scientific, rational and efficient system. It facilitates the manifestation of the basic interests and will of the masses of the people, and facilitates the correct drafting and implementation of the party's line, principles and policies, and even if it makes mistakes it can effectively rectify them; system construction is of a fundamental, overall, stable and long-term nature, and it is necessary to further improve a series of systems concerning democratic centralism, so that it will not change with a change in leaders or with a change in their ideas and their focus of attention; it is necessary to uplift the consciousness of the whole party, leading cadres in particular, in implementing democratic centralism, to oppose all erroneous tendencies that run counter to or negate the system, and to prevent individual arbitrary acts and extreme democracy, the decision says.

The decision says that it is now necessary to truly enhance education in strengthening democratic centralism in the whole party, among leading cadres in particular, to improve various concrete systems for implementing democratic centralism, and improve the various principles guiding inner-party political life.

The decision calls for promoting democracy within the party and bringing the initiative of the whole party into full play.

If there is no democracy, there will be no socialism, nor socialist modernization, the decision says.

The essence of socialist democracy is that the people are masters of their own country, it says. This most extensive people's democracy is essentially different from bourgeois democracy, and it is also completely different from anarchism which denounces discipline and order.

The promotion of inner-party democracy will definitely stimulate the people's democracy, and this is also an important way for building socialist democratic politics, the decision says.

The decision says that democratization of policy-making is an important part of promoting inner party democracy and a prerequisite for making policy-making more scientific.

The leading bodies and leading cadres of the party should develop a democratic style of work, and adhere to

the mass line of "from the masses to the masses" and "carry on what having been collected," it says.

The initiative of the masses should be respected fully and the rich experiences from grass-roots organizations and from practice should be summed up in time, the decision says. The opinions from various quarters, including objections, should be heeded.

The decision also calls for strengthening centralism based on democracy so as to implement effectively the party's line, principles and policies.

There is no correct centralism without democracy, it says. Neither the correct line, principles and policies nor a unified will of the whole party can be formed without centralism.

The decision says that China is a developing country with a vast territory and a huge population, and the CPC faces the arduous and complicated tasks of reform and construction.

Only by upholding the authority of the party Central Committee can the cohesiveness and fighting capability of the party be enhanced, the unification of the country, solidarity of all ethnic groups and social stability be maintained, the smooth progress of reform, opening-up and the modernization drive be guaranteed, the common prosperity of people of all ethnic backgrounds be achieved gradually, and socialist material and ethical progress be made at the same time, the decision says, adding that there lies the supreme interests of the whole party and people of the whole country.

The party constitution stipulates that individual party members should be subordinated to party organizations, the minority to the majority, lower-level organizations to higher-level organizations, and all party organizations and party members to the national congress and the Central Committee of the party. The most important of the "four subordinations" is that the whole party should be subordinated to the Central Committee.

The decision says that history of the party has proved that there must be a firm central leading body which is formed through practice and there must be a core in this leading group.

Without such a leading group and core, it says, the cause of the party can not possibly be victorious. This is a major issue with regard to the upholding of democratic centralism.

The decision says to safeguard the authority of the Central Committee, the smooth implementation of the policies and directives of the central committee should be guaranteed.

The whole party should maintain unity with the Central Committee in terms of the party's basic line and general principles, policies and goals and of major issues of overall importance, it says.

Party organizations at all levels and all party members should observe the Constitution and the laws of the country in an exemplary way, it adds.

The decision says that the initiatives of the localities should be brought into full play under the unified leadership of the party Central Committee.

To give full play to the initiatives of the localities means a combination of implementing the spirit of the party Central Committee and proceeding from local realities, and a unity of being responsible for both local people and people of the whole country, the decision says.

Emphasis on upholding the authority of the Central Committee does not mean to withdraw the power that should be vested with the localities, but to give full play to the initiatives of both the central and local authorities on the basis of rationally defining their duties and power.

The decision also notes that the system of combining collective leadership and division of labor with individual responsibility should be upheld and improved. It also calls for strengthening and improving inner party supervision and enforcing party disciplines.

The principle of everybody being equal before disciplines should be upheld and those party members who violate disciplines should be investigated and dealt with severely, it says.

Inner-party supervision should be combined with the supervision by the people, the supervision by the media and the supervision by non-communist parties and personages without party affiliation, and the supervision from top to grass-roots should be combined with the supervision from grass-roots to top so to form gradually a powerful supervision system that will ensure the health of the party and the smooth fulfillment of all tasks, the decision says.

National Day Article on Filling Socioeconomic Gaps

OW0510150294 Beijing XINHUA Domestic Service in Chinese 0033 GMT 3 Oct 94

[“National Day special article” by reporter Zhang Jinseng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 3 Oct (XINHUA)—Filling big historical gaps is one of the special characteristics of New China's statistical history. Compared with other contemporary countries in the world, the impoverished and backward old China scored blanks in terms of statistical figures in the economic and social development. Today, reviewing the efforts made by New China over the past 45 years, we can easily see from the statistics that the Chinese people, with their creativity, have filled in various historical gaps in economic-social development and shown the world New China's constantly advancing track of progress.

On New China's statistical sheets, small products such as semiconductors, radios, watches, sewing machines, cameras, and big projects such as automobiles, airplanes, steamships, nuclear power station building—things that people dared not think about and things that were unthinkable in old China—have stood out conspicuously today on New China's statistical sheets. Among the glittering statistical data are: In 1993, China produced 28,847,800 televisions; 6,219,600 refrigerators; 7,474,700 cameras; 1,310,100 automobiles; and 9,814,200 program-controlled telephones. It is next to impossible to keep track of how New China's statistical data has filled the historical gaps. One thing we can do is to sort out some of the larger categories. The unprecedented statistical data encompassing various industries and products that China has built up from scratch include: modern metallurgical and mining equipment manufacturing, large power equipment manufacturing, airplane and automobile manufacturing, large-scale precision machine-tool manufacturing, high-grade alloy and major nonferrous metal smelting, petrochemical industry and organic synthetic material manufacturing, space industry, large-scale integrated circuit and computer industries, and various telecommunications and precision instrument manufacturing.

Many statistics sheets on China's social development also helped fill many historical gaps. They include: railway electrification; diesel and electric locomotives, construction of expressways and building of subway systems and enclosed and interconnected overpasses in urban areas that have comprehensively raised the nation's transportation capability; pipelines that help transport oil and natural gas; building roads in all counties in the nation by overcoming various difficulties and ending the history of Tibet having no paved roads for cars; opening flights to Tibet, thereby ending the "air cordon sanitaire"; and installing long-distance electric cable and using optical fiber and satellite communications technology to open a new era for New China's posts and telecommunications industry. Now the level of railway electrification in the nation has reached 16.6 percent. Diesel and electric locomotives now account for 64.4 percent of the total number of locomotives. A total of 1,145 kilometers of expressway; 39,000 km of optical cable; 14 satellite ground stations; and 37,000 km of digital microwave lines have either been built or installed.

A review of the statistical sheets on science and technology, culture, and sports is more encouraging. Old China lagged 10 years or even 100 years behind the world's advanced level in science and technology. New China not only rapidly closed the gap but overtook the world's advanced level. The successful explosion of the atomic and hydrogen bombs; the manufacturing of carrier rockets, the launching of man-made satellites and the mastery of the satellite recovery technology; the synthetic transfer of bovine insulin and yeast alanine to RNA; the building of an electron-positron collider,

heavy-ion accelerator, and synchronous radiation laboratory; the development of the large "Galaxy" computer; the launching of missiles from submarines, of the "Long March II Cluster" rockets, and of the "Asia Satellite" and "Australian Satellite" showed that New China has not only achieved breakthroughs in the world's most-advanced scientific and technological fields but also reached or nearly reached the world's advanced levels. In addition, China built the TV transmission sector from scratch. China boasted of 683 TV centers in 1993. In sports, China also made the first breakthrough by winning its first Olympic gold medal, enabling the Chinese people to completely shake off the stigma of having been labeled "the sick men of East Asia."

"We dare to ask the sun and the moon for a new sky" is a phrase that can be used to describe the spiritual outlook and the enterprising spirit of the millions and millions of Chinese people in the new era. As the Chinese people have succeeded in filling the economic and social development gaps one by one with hard struggle and wisdom, they will also surely create a more beautiful future with a pioneering and enterprising spirit in the course of reform and opening up to the outside world.

Song Jian Marks Anniversary With Meteorological Group

OW0510145794 Beijing XINHUA in English 1410 GMT 5 Oct 94

[FBIS Transcribed Text] Beijing, October 5 (XINHUA)—A commemorative meeting was held here today to celebrate the 70th anniversary of the founding of the Meteorological Society of China.

At the conference, State Councillor Song Jian called on all meteorological workers to further improve their professional skills of forecasting disastrous climate and providing scientific basis for government departments to work out countermeasures, and work hard to reduce losses caused by disastrous weather to the least.

As one of the earliest Chinese national professional organizations of natural sciences, the Meteorological Society of China has played a positive role in promoting the country's development of meteorological cause, helping train more qualified personnel and aiding the country to become one of the world's most advanced in the fields of atmospheric sciences, according to officials from the society.

Experts from a dozen of foreign countries and regions attended today's commemorative meeting.

Living Buddha Garmaba Meets With Shanxi Officials

OW0510091294 Beijing XINHUA in English 0742 GMT 5 Oct 94

[FBIS Transcribed Text] Beijing, October 5 (XINHUA)—The 17th Living Buddha Garmaba has paid a

pilgrimage to temples on the Wutai mountain, one of the four largest holy lands of Chinese Buddhism.

During his two-day visit on the 3,000-meter mountain located in Shanxi Province in north China, the Living Buddha saluted to idols of different sects of Buddhism, which worship the same founder Sakyamuni.

The 10-year-old Tibetan returned Beijing this morning for preparations of more pilgrimages to other parts of China.

This is his first visit out of Tibet after he was approved as the first reincarnated child after 1949 by the Religious Affairs Bureau of the State Council.

On the snow-covered Wutai, the Living Buddha was received by some 1,200 monks dressed in their holy best from more than 40 temples and lamaseries. Hard sandy wind didn't prevent big numbers of local devotees from prostrating themselves in worship of the Tibetan lama.

The Garmaba and his party spared no pains on their way, chanting scriptures before altars whenever they met and talked with Buddhist masters practicing sects of Huayan, Jingtu, Zen and Lamaism in the mysterious valley.

"I was deeply impressed with the thriving religion here," said Tuden Sambo, the Garmaba's tutor.

Monks built up the first temples on Wutai in Eastern Han dynasty (25-220). The site was then cultivated into a major religious area attracting pilgrims worldwide.

The Living Buddha was also received by officials of the Shanxi Provincial Government, who have poured more than 10 million yuan in recent years for the restoration of the temples on Wutai.

The Garmaba flew into the Chinese capital on September 25. Before he came to Wutai, Chinese President Jiang Zemin met him.

Founding Conference of Confucian Society Held

Core Values Still Relevant

OW0510124994 Beijing XINHUA in English 1218
GMT 5 Oct 94

[FBIS Transcribed Text] Beijing, October 5 (XINHUA)—The conference on the founding of the international Confucian Association (ICA) was held here this afternoon and adopted the rules of the association.

Lee Kuan Yew, senior minister of Singapore and the ICA honorary chairman, Gu Mu, the ICA president and chairman of the ICA Council of Directors, and Choi Kun Duk, president of Confucian Society of South Korea, attended the conference.

Lee Kuan Yew said at the conference that forty years of experience in government has convinced him that moral values and ethical standards are vital for a sound and stable society.

"I believe if a society retains the core values, we will foster good and orderly relations within families, between families, and between families and government. The basic content and importance of these relationships have not changed. Industrialisation and technology have not made them irrelevant," Lee said.

Gu Mu, also honorary president of China Confucius Foundation, said that Confucian culture with its long history and broad influence will make new contributions in the current circumstances, and will have a new chance to be enriched and developed in the interaction with other cultures in our world.

The first session of ICA will be held on October 8.

'Practical Activities' Stressed

OW0510140794 Beijing XINHUA in English 1327
GMT 5 Oct 94

[FBIS Transcribed Text] Beijing, October 5 (XINHUA)—A senior leader of the Communist Party of China (CPC) said here today that the Chinese people are endowed with the responsibility to systematize Confucianism with scientific approaches and make it serve practical activities today.

Li Ruihuan, a Standing Committee member of the Political Bureau of the CPC Central Committee, made the remarks at an international symposium to commemorate the 2545th anniversary of Confucius' birthday.

Li said Confucius was a great thinker and educator in the Chinese history and the Confucianism he founded is the pillar of China's traditional culture and the pride of the Chinese nation.

He hoped that joint efforts would be made by people from all walks of life to push the researches on Confucianism to a new level.

It is very significant thing to hold such an international symposium on Confucianism, Li Ruihuan said.

Chinese Vice-Premier Li Lanqing said at the symposium that Confucius was a great thinker and educator in Chinese history and the main founder of Confucianism.

The vice-premier noted that his thinking and school of thoughts have made positive contributions to the Chinese civilization.

Gu Mu, honorary president of the China Confucius Foundation, said at the symposium that the past five years have witnessed new progress in the research on Confucius, the Confucianists and Chinese traditional cultures.

According to Gu, several thousand papers and some 100 books have been published. Those publications studied Confucianism from the aspects of philosophy, history, ethics, religions, politics, economics, literature and arts.

Scholars from nearly 30 countries and regions attended the symposium.

During the four-day symposium, the International Confucian Federation will be founded.

The symposium was sponsored by the China Confucius Foundation.

Officials Order Publications 'Vigorous Screening'
HK0610053694 Hong Kong MING PAO in Chinese
3 Oct 94 p b1

[By special correspondent Fang Yuan (2455 0337): "A Number of Books and Underground Publications Are Banned on the Eve of National Day"]

[FBIS Translated Text] According to informed sources in Beijing, on the eve of National Day, the CPC's culture and propaganda organs ordered the vigorous screening of the publications market and clearly ordered that a number of "reactionary books" be banned, including *4 June Poems*, *Deng Xiaoping and His Secret Empire*, and *Mao Zedong and His Women*.

It is disclosed that the books on Deng Xiaoping and on Mao Zedong have been duplicated abroad, while *4 June Poems* is a completely local production and is printed and published through underground channels and circulated in Beijing and some other places. It is learned that public security organs have already intervened by helping in banning and tracing the sources of the above books.

The informed sources said that the boom in the underground publication industry these days is a big headache for the Central Propaganda Department and the State Council's State Press and Publications Administration. It is said that underground publishers in various places employ the business form of "putting together" authors, marketing personnel, plate-making, printing, and publishing. Moreover, they are well-organized, carefully divide labor, and are highly efficient. It often takes a few days for a book to be marketed from the finalization of its text. These underground publications are highly profitable, and despite the authorities' repeated efforts they have failed to prevent them from being published.

It is learned that three centers of China's underground publishing market have already been formed in Beijing, Wuhan, and Guangzhou and that they are spreading across the country along the Beijing-Guangzhou railway. Since they are well-organized, it is said that even public security organs have failed in their several attempts to penetrate and destroy this underground publication network. As a result, the authorities can only ban illegal publications from sale on the book market.

The informed sources pointed out: Even legal publications will always carry some bold and brazen statements while discussing some officially approved topics. For example, some recent books, including *Looking at China With a Third Eye* and *Who Are the Ugly Chinese?*, were all officially approved publications, but the effects they caused in society were so strong that they were banned by the authorities.

As a craze for the history of the Qing Dynasty has arisen among Beijing's publishers, many works have appeared with satirical allusions to the present time. In the appendices to the recent novel *Li Xiongzhang*, for example, many scholarly contributions talked about Li Xiongzhang, the Sino-Japanese War of 1894-1895, and China's modernization.

A scholar pointed out that the reason Li Xiongzhang "betrayed the country and sued for peace" was that he already felt that in a period of global capitalism, a declining dynasty had only two choices: It could choose to merge with capitalism at any cost in order to avoid its own fall or it could choose to stand up to it and be totally swallowed up. The scholar said "that was undoubtedly a very painful decision to make, especially when you find that in fact you can only attach yourself to it and cannot choose to refuse it."

Another scholar said: If we say that the most important awareness of the ruling elites in the wake of the Opium War was that "backwardness meant suffering," then some new types of intellectuals were already aware in a sensitive way that in the process of world integration, the greatest danger for China was not merely its partition but the possibility that it would become an "abandoned baby" outside the world.

Some scholars, however, alluded to the post-Deng "crisis" by reviewing the history of the Qing dynasty: First of all were the financial crisis and administrative crisis in a period of great prosperity. Aggression by the West gave rise to the crisis of sympathy among intellectuals. Educated people and new ideas mobilized the entire society and brought about the participation crisis, at the very bottom of society in particular. Before and after Yuan Shikai the authority crisis surfaced, which led to a war among warlords that eventually went out of control and which showed that China had again entered the crisis of integration and disintegration.

Military

Commentary Views Importance of Military Training

HK0510151394 Beijing JIEFANGJUN BAO in Chinese
15 Sep 94 p 1

[“Commentary” by Gu Boliang (7357 0130 5328) from the “Under the Banner of the Republic Column”: “For the Sake of Forging an Army of Iron and Steel—Commenting on All-Army Military Training Reform”]

[FBIS Translated Text] Editor's Note: The 45th anniversary of the founding of the PRC is drawing close. On this joyous festival, we look at the divine land of China with redoubled pride to greet the National Day with delight, and we feel proud all the more.

In the 45 years since the founding of the PRC, the socialist construction has made great achievements under the leadership of the CPC. Especially in the 16 years since reform and opening up, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the idea of army building during the new period, huge earth-shattering changes have taken place in our country, and our Army is striding forward toward the goal of revolutionization, modernization, and regularization. Inspired by the stormy expedition course and tests of iron and blood experienced by the People's Army during 45 years; moved by the huge concern shown to army building by the party's three generations of leading cores Mao Zedong, Deng Xiaoping, and Jiang Zemin; and touched by the sacrifices and devotion made by officers and men of the whole Army, including those made by our comrades-in-arms who have been transferred to civilian work or demobilized, we start this special column, "Under the Banner of the Republic," and will carry successively from today a number of commentaries and other reports.

These reports are only rough sketches of the new achievements, new features, and new experiences in the building of our Army, and cannot include every aspect of it; nevertheless we can still get some idea of the iron Army moving ahead with the momentum of an avalanche, and feel the absolute sincerity of a People's Army loyal to the party, the people, the country, and socialism.

"A row of planes flying over the clouds across the clear sky leads my poetic mood to the blue heavens." Let us display our great achievements in army reform and building in the golden autumn days of the republic, and tell the world: The Army of the people is for ever worthy of the trust of the people. [end editor's note]

1. In headquarters' maneuvers, uniformed commanders of the three armed services are analyzing the battlefield posture together, and unifying and coordinating the progress of battles. Orders are flying to the sky, positions, and the sea.

In an exercise district, fighters are shuttling amidst the clouds of the blue sky, anti-aircraft guns and missile launchers are emitting flames into the air, and naval vessels are pressing onward into the sea.

This is a scene of coordinated live ammunition maneuvers of the three armed services carried out under conditions of modern warfare by troops undertaking the task of experiments in coordinated training reform of the three armed services.

In recent years, on the vast territory of the republic, various forces of the Army have unfolded a vigorous

campaign of training reform with unprecedented depth and quality around the subject of heightening combat capability under high-tech conditions according to the requirements of military strategic principles during the new period.

In the ancient battlefield of the central plains, a certain reinforced infantry division achieved success in live ammunition tactical exercises at night, indicating that our Army's night training has already developed to a new stage comprising whole divisions and whole regiments;

On the roaring seas, major progress in reform of concealed attacks at great depths and other subjects made by a certain submarine force has enhanced our confidence in defeating, based on present equipment, superior forces with inferior equipment;

A certain airport in northern China greeted large groups of planes in formation from several thousand km away, and the success of a certain unit in transregional mobile exercises involving large groups of planes for the first time resulted in important changes in the mode of command and security of the Air Force under high-tech conditions....

Through industrious cultivation on the part of the broad masses of officers and men of various experimental troops for over a year, breakthrough progress has been made in training reform through building a training system to meet the needs of operations under high-tech conditions as the goal, and a number of achievements have also been made in stages: The general headquarters have successfully organized cadre training and all-army on-the-spot meetings on reforms in night training, and have made a number of reform achievements which have played a good exemplary role and promotional role; a new generation of detailed training outlines for various armed services, specialities, and different types of troops has been compiled and completed, and has entered a period of experimental training; some breakthroughs and achievements have been made in crucial and difficult subjects of study in operational methods, such as coordinated operations involving the three armed services, and operations in extremely cold mountain areas; and our Army has also gained successful experiences in new forms of organization and training with the emphasis on combined organization and the separate training of new recruits and experienced soldiers.

These achievements indicate that all-Army reform in training has achieved overall progress and has laid a solid foundation for our Army to strengthen its overall combat capability under high-tech conditions and master as soon as possible the objective laws of modern warfare.

2. Today is the continuation of yesterday. The present gratifying situation in training reform is the natural development of one training upsurge after another, one training reform after another, and the unremitting efforts of one generation after another in our Army since the founding of the PRC.

People cannot forget that the regularization training of the 1950's greatly promoted the regularization building of our Army, the mass activities of training and skill competitions in the 1960's promoted the whole Army to unfold a large-scale training campaign, and the resumption and development of military training in the 1970's, after a period of twists and turns, gradually resulted in a situation full of vitality in all-Army training.

Even less will people forget that since the 1980's, training reform with increasing coordinated combat capability of troops as the main tune has not only created a new system of training for individuals, squads, and joint tactics to campaign training, and established and improved training laws and regulations, but has also organized and built group armies in the ground forces by reform of the establishment system, thus enabling our Army to enter a new stage in its composition level.

Party and state leaders have given kind attention and warm encouragement to the reform and development of the military training of our Army. In 1964, Mao Zedong personally came to the training field to watch military skill competitions; in 1981, Deng Xiaoping watched military maneuvers held in a certain place in northern China; in 1991, Central Military Commission Chairman Jiang Zemin arrived in person at the foot of the ancient Great Wall to watch a performance of military training given by the Beijing Military Region Command and to review the new features brought to our Army by ten years of reform and opening up. Through the footprints left by three generations of leaders in the training field, it is not difficult for people to feel the deep concern and ardent expectations shown by party and state leaders for the building of our Army's combat effectiveness.

3. The achievements of our Army in training reform are encouraging, and the impact of the practice of our Army in training reform on the building of combat effectiveness during periods of peace is more far-reaching.

As a day-to-day central task during periods of peace, military training is a fundamental way to increase the combat effectiveness of troops, and is an important guarantee in performing their functions. The training laws and regulations established in the practice of training reform ensure in the system the central position of training, and ensure a stable and sustained development for military training.

By organizing and building group armies, our Army has tapped the potentialities of modern weapons and equipment and has heightened the composition level of the troops, and by organizing and setting up naval training centers, air arm training bases, and other specialized training organizations, our Army has shortened the combat effectiveness formation cycle of arms whose specialities are technically complicated. Reform in Army units' establishments and training systems have injected vitality into the military training mechanism.

Through reforms in joint tactical training and campaign training, the broad masses of officers and men, and in

particular commanders at various levels, have strengthened their ideas, intellectual structure, and organization and command, thus resulting in a change from "seemingly in harmony" to "actually in harmony" in the coordinated training of the troops. The strengthening of ideas on composition has freed military training from a state of low-level circulation.

Looking back to the past, we have made brilliant achievements. Generals and soldiers of the three armed services have not stopped in front of the achievements already made; looking forward to the future, we feel the burden is heavy and the road is long, which has further aroused a sense of mission and creativity on the part of the officers and men of the whole Army for intensifying training reform.

Historical and real experiences have told us that training reform is the objective requirement of the law of development in army building, and is an inevitable choice for increasing the combat effectiveness of our Army under existing conditions. By further increasing the strength and depth of training reform, tempering the overall combat capability of our Army under high-tech conditions, and forging an army of iron and steel for the republic, we are sure to provide a more reliable security guarantee for the great cause of vigorous reform and opening up in the divine land of China!

Military Pensions Tied to Army Wages

HK0510153194 Beijing JIEFANGJUN BAO in Chinese
10 Sep 94 p 1

[By Zhou Xuyin (0719 4872 6892): "The Party Central Committee, the State Council, and the Central Military Commission Approve Treatment Adjustments for Retired Military Cadres and Retired Volunteers"]

[FBIS Translated Text] Recently the party Central Committee, the State Council, and the Central Military Commission ratified the "Implementation Method on Treatment Adjustments for Retired Military Cadres and Retired Volunteers Whose Placement Is Arranged by the Government"—a method worked out by the Ministry of Finance, the party Central Committee's Organization Department, the Ministry of Civil Affairs, the Ministry of Personnel, the General Political Department, and the General Logistics Department.

As the "implementation method" provides, the treatment of these retirees will be adjusted according to the armed forces' wage system reform. This document stipulates that cadres whose retirement was approved before 30 September 1993 are eligible for pension increments based on the average increments for military officers' and nonmilitary cadres' post wages, military rank (grade) wages, and basic wages. Pensions for retired volunteers will be increased. The basic figures and percentages of military cadres' pensions will be adjusted as follows: Pensions will be calculated according to post wages and military rank (grade) wage percentages instead of their

original wage percentages; basic wages and military seniority wages will be issued in full. Like all cadres in service, military personnel professional allowances will be provided in honor of their life-long service in military work. All existing allowances will be retained in accordance with the criteria of military regulations. All treatment for these retirees will follow the armed forces' standardized requirements to replace allowances provided according to local government regulations. Regional differential allowances for these retirees will also follow the armed forces' standardized requirements.

At present, relevant state and armed forces departments are busy arranging this work so that the party's and people's concern for these veteran comrades will be implemented to the letter.

Naval Destroyer Unit Progress Noted

OW0510144094 Beijing XINHUA Domestic Service in Chinese 0642 GMT 29 Sep 94

[“Newsletter” by XINHUA reporter Huang Caihong (7806 1752 5725) and XINHUA correspondents Zhu Xuewen (2612 1331 2429) and Hu Sheyou (5170 4357 0645)]

[FBIS Translated Text] Beijing, 29 Sep (XINHUA)—Ship-to-ship offensive missiles launched from a new guided-missile destroyer and corvettes that were sailing in formation at high speed on the blue sea were whizzing across the horizon on the eve of National Day.

Those who witnessed such a powerful formation on the ocean would have difficulty connecting it with a People's Liberation Army [PLA] naval formation that marched past a reviewing stand 45 years ago at Tiananmen Square, the site where the unit began its voyage toward modernization.

The unit has repeatedly won top honors. For three years in a row since 1991, it was named an all-army advanced unit in training. Central Military Commission Chairman Jiang Zemin, Vice Chairmen Liu Huaqing and Zhang Zhen, and other leaders inspected the unit and wrote inscriptions as encouragement. Upon inspecting the unit, Chairman Jiang Zemin grabbed its leader's hands and said: “With such a unit, the party and people can set their minds at rest.”

From Yellow to Blue Waters

In the salty, pungent, and scorching summer breeze, a combined formation of a long-distance, ocean-going guided-missile destroyer; corvettes; and a large 10,000-ton-class all-inclusive supply ship—a detachment of the destroyer unit—reached an area in the boisterous West Pacific Ocean after nights of navigating at high speed.

Thus began a combined exercise that involved a stealthy rendezvous of submarines and vessels. In the operations room, sophisticated satellite navigation and positioning

equipment and weather map facsimile machines continued to deliver all kinds of data; two red and blue navigation lines were traced on a large sea chart; and in the telegraph-and-radio room, program-controlled teleprinters and high-energy combination transceivers silently transmitted and received messages.

“The Blue Whale has entered the concealed zone, and the Tiger Shark has entered the ready area!”

A command issued by the fleet commander instantaneously appeared on the screens of microcomputers on the command and other vessels in the formation.

Navigating across the endless stretch of surging ocean waters, the vessels immediately moved in formation toward the zone. A submarine that rushed day and night toward the great ocean at battle speed moved underwater at top speed to take up its position.

Around midday, a giant silver-gray whale suddenly parted the waves and rose from the depths.

“The sea exercise involving a stealthy submarine-vessel rendezvous is an instant success!” yelled seamen who were leaping with joy as if they had just met their dear ones in a distant land.

The successful combined exercise showed that the officers and men's ability to operate new and advanced equipment has greatly improved. Each vessel in the detachment is equipped to handle all-weather sailing and firing, and all aspects of surface-to-surface confrontations; it has performed brilliantly in launching missiles and rockets, and has successfully conducted several hundred mock attacks on submarines.

A Cradle of Qualified Captains

The use of new high-tech weaponry has turned the unit into a cradle of qualified captains.

On a day in October 1993, the combat alarms suddenly sounded on three guided-missile destroyers and corvettes that were cruising the ocean. The vessels' captains, who were keeping watch on the bridges, immediately rushed into their operations rooms in the lower decks, and pushed some buttons on the electronic threat-determination devices. The screens displayed this information: Numerous groups of heavy bombers were approaching from the air; “enemy” destroyers, moving in formation, had come within missile firing range; and “enemy” submarines were approaching underwater.

“Battle alert!” The captains' commands were instantaneously passed on to all battle stations.

Immediately, indicator panels, transmitters, monitors, and computers in the operations rooms were activated. Display lights on the equipment indicated how well the missile-launching systems were operating; the main and auxiliary guns moved in sync with the information from fire-control radars.... [ellipses as received] The series of

commands issued by the electronic kingdom shifted our side's vessels that were sailing in formation into a counterattack mode.

The computer-controlled system, capable of executing a series of stringent precautionary steps almost simultaneously, is far superior to manually operated ones due to its ability to react rapidly on all fronts.

It is in this kind of combat situation, which closely approximates real ones and involves high technology, that this unit trains PLA officers, men, and fighters needed in the seaborne crack team.

The "Captain Project" has always been considered more important than building modern warships by the navies of developed nations in Europe and the United States. It takes 10-20 years to train a qualified captain. Since 1990, the detachment has trained scores of captains who passed all kinds of training and 3,000-plus section chiefs and technical experts, in addition to having helped warships complete all aspects of their training.

Create a Crack Team on the Roaring Sea and Raging Waves

Navigational strength is an important benchmark of the combat ability of a country's naval forces. Gradual modernization of weaponry will embolden officers and men when they sail the oceans. In recent years, PLA officers and men have engaged in bloody battles in the West Pacific Ocean; travelled the Indian Ocean; patrolled the western part of the South China Sea, Zhongsha, and Nansha [Spratlys]; conducted drills on the Zengmu Reef; moved in formation to handle confrontations on the surging Pacific Ocean; and sailed over 200,000 nautical miles.

A warship was conducting a training exercise in the Pacific Ocean one evening in the spring last year, when it was thrashed by towering waves whipped up by gales, of force 11, that blew across the ocean. The warship plunged into the raging waves several meters high, which submerged the ship's bow and deck but heaved its stern and propellers out of the sea. Seamen were throwing up incessantly almost vomiting their hearts out.

The warship was facing great perils. Although the waves were more than what the ship was designed to handle, and the violent winds and waves threatened to swallow the warship at any moment, the officers and men did not flinch from fear. The radar anticollision and warning systems; the positioning system that includes satellite navigational equipment, gyrocompass, and magnetic compass; and stabilizing equipment were operating systematically. A new navigational line plotted on the sea chart by a chief navigator was converging with a predetermined route. After a 21-hour, life-and-death struggle, the seamen returned their warship to a military port surrounded by thousands of islands.

From then on, when they sail the oceans, these seaman who have survived great storms with the help of modern

equipment will remain fearless even when the storms gather strength or the sea conditions deteriorate.

In the past six years, the officers and men of this detachment have come in first in 10 aspects of naval training exercises. Heads of governments, high-ranking military officers, and diplomats from scores of countries have hailed the detachment as the best after watching it operate its vessels and fire live ammunition in military maneuvers.

Returned Scholars Work for PLA Research Projects

OW0510150594 Beijing XINHUA Domestic Service in Chinese 0800 GMT 5 Oct 94

[By correspondent Dong Jingping (5516 2529 1627) and reporter Zhou Zhifang (0719 1807 2455)]

[FBIS Translated Text] Beijing, 5 Oct (XINHUA)—According to the responsible person of a department concerned under the People's Liberation Army [PLA] General Political Department, a large number of personnel who returned home after finishing schools abroad are teaching at PLA schools and working in PLA scientific research and medical departments. Those personnel of the old, middle-aged, and young generations love the country and the army; and they are playing a more and more important role in the modernization of national defense.

In the early years of the People's Republic and in the fifties and sixties, two generations of intellectuals returned home from abroad successively, and they became the backbone force for New China's national defense science and technology, which had a weak foundation. Since after the start of reform and opening up, the PLA has made fairly big progress in sending personnel to study abroad to meet the needs of modernization of national defense and the armed forces. In 15 years, some 2,000 people went to study advanced technology and management experience in more than 30 countries and regions. During their stay there, they studied hard and made outstanding academic achievements. Many of them declined good job offers from foreign organizations, gave up comfortable lives abroad, and returned home. Since returning home, they have made important contributions in such high-tech fields as supercomputers, artificial intelligence robotics, aeronautics, command automation engineering, bioengineering, and medicine. Many of their achievements attained or approached advanced world standards. A statistic shows that of those who returned from abroad, more than 20 percent hold doctorate or master's degrees; one third has worked on projects of the Seventh and Eighth Five-Year Plans, the "863" high-tech project of the state [guo jia "ba liu san" gao ji shu xiang mu 0948 1367 "0360 0362 0005" 7559 2111 5890 7309 4158], and the national natural science scholarship projects; 52 percent hold senior technical job titles; and 10 percent hold

division or regiment leading positions or leading positions in schools or scientific research organizations. According to the statistics compiled by the departments concerned, nearly 600 scientific and technological achievements made by those who returned from abroad have won second-class military scientific and technological progress awards or awards of higher classes.

The responsible person of the department concerned under the General Political Department said: The party, the government, and the army are greatly concerned about the scholars who returned from abroad. In accordance with the guidelines of relevant documents issued by the party Central Committee and the State Council, the three general departments have promulgated a series of clear and definite policies, rules, and regulations governing the selection, training, and dispatching of army personnel to study abroad; the management of them during their stay abroad; and their placement after returning home. PLA units have political trust in those who have returned from abroad, show concern about their everyday lives, and boldly assign them to various job posts. Those who have specialized knowledge and make outstanding contributions are promoted in position or rank despite restricting rules, such as qualifying years in rank. For some reasons, some of those personnel could not obtain scientific research funds in a short time after returning home. In that case, the general departments have allocated special funds for them to start scientific research and thus created good research conditions for them.

Economic & Agricultural

Authorities To Relax Macroeconomic Control

HK0510142394 Hong Kong MING PAO in Chinese
5 Oct 94 p A2

[“Special article” by special correspondent Yen Chung (0917 0022); “China To Relax Macroeconomic Regulation and Control”]

[FBIS Translated Text] The Chinese authorities plan to relax the scale of “macroeconomic regulation and control” (economic austerity), and to readjust the flow of funds. According to a well-informed source, this resulted from the acceptance of a proposal by relevant experts of the China Academy of Social Sciences [CASS], which believes that the magnitude of “macroeconomic regulation and control” should not be excessive, nor should the period last too long, and that it is advisable to confine the period of regulation and control to six or nine months.

The source said: The timing for relaxing “macroeconomic regulation and control” is decided by whether or not the range of increase in the price index will be kept under control. The authorities predicted that the September price index would fall, thus creating conditions for relaxing the magnitude of macrocontrol and regulation.

According to the source, it has been a year or so since the Chinese Government implemented “macroeconomic regulation and control” in 1993. Aiming at a situation in which the symptoms of “stagflation” already have surfaced (economic development slows, while prices skyrocket), when two schools of scholars refused to budge over comprehensive relaxation or continuing austerity, the compromise proposal by the CASS experts was comparatively acceptable to the central authorities.

The source explained, the CASS Economic Research Center report, which was submitted in June and July, set out a “neutral policy” of “macroeconomic regulation and control.” Compared with past extreme austerity measures, this “neutral policy” includes two major compromise points:

First, the magnitude of macroeconomic regulation and control must be appropriate, and no sudden sharp halt should be imposed. More economic means should be adopted. In addition, the practice of requiring unanimity in everything should be prevented. Those trades and projects that should be “cooled” must be curtailed firmly, while those that should be “warmed” must be.

Second, past periods of austerity lasted for at least two or three years, and were not conducive to an economic pickup. The proper period is six to nine months.

It was said that having compared the current “macroeconomic regulation and control” with the 1988-91 “improving the economic environment and consolidating economic order,” the report assessed that the magnitude and means of the current regulation is actually more mature than the last. The abruptness of the current macroeconomic regulation and control has not been too great, and relaxation and austerity were implemented simultaneously, in addition to taking economic means as the key. Thus the malpractice of “lifting of restrictions leads to chaos, chaos leads to retrenchment, retrenchment leads to economic stagnation” was overcome, with appropriate development of national key projects and trades.

The chief spirit of the proposal in the report is that in implementing “macroeconomic regulation and control,” the government must proceed from the general macroeconomic principle, but should not intervene in microeconomic operation. When conducting regulation and control by financial means, in addition to emphasizing tightening the money supply, the government should resort to tightening and relaxing money supply alternately, especially grasping the timing of tightening and relaxation.

Related experts believe that for quite a few years, the authorities have found it difficult to select between two roads of economic development—high-rate economic growth, while bearing high inflation, or steady development while lowering the inflation rate—because Deng Xiaoping, who is regarded as the chief architect of reform and opening up, vigorously advocates high-rate

economic growth. This being the case, over the past dozen years or so, China actually has selected the path of high-rate economic growth with a high inflation rate. When inflation exceeded the bearing capacity, tough measures would be adopted to push it down. In its wake, high-rate economic growth would resume; consequently, there are many unsolved bottlenecks in accumulation.

Experts believe that the implementation of macroeconomic regulation and control since 1993 already has aggravated the shortage of funds in many localities and departments, and in addition, that the symptoms of "stagflation" has surfaced. As a result, central-local relations have grown more tense, and many reform measures presented by the central authorities were "digested" [xiao hua 3194 0553] in the localities. This situation has not been helpful to the authorities' pushing the reform policy. Such being the case, the authorities recently have adopted the compromise "macroeconomic regulation and control", relaxed the money supply, and readjusted the direction of money input based on different conditions. This way, central-local contradictions also can be relaxed, and the implementation of reform measures for next year will be guaranteed.

New Policy on Import, Export Price Management

HK0510124494 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1008 GMT 3 Oct 94

[FBIS Translated Text] Hong Kong, 3 Oct (ZHONGGUO TONGXUN SHE)—The relevant state department recently adopted a new policy on the price management of imports and exports.

1. After being comprehensively readjusted, prices of necessary means of production and important means of subsistence including grain whose international prices are higher than their domestic prices should be set in accordance with the principle of reducing the damaging effect of international prices on domestic prices while ensuring imports. New methods of managing the importation of bulk commodities should be studied, such as pursuing a unified agency system and setting agency average prices.

2. The principle governing management of export prices is to promote growth in foreign exchange earnings through exports and the production of export goods, improve the export structure, raise export efficiency, and check dumping at low prices in overseas markets and rushing for goods at increased prices in overseas markets. With regard to exports of bulk commodities, domestic export purchasing price ceilings should be set mainly on the basis of international market prices while the lowest protective prices are set in the light of domestic costs.

3. The mechanism for exchange rate formation should be further improved and the impact of exchange rate changes on domestic prices should be placed under control. In deciding exchange rates in the future, apart

from the costs of exchange earnings through exports, consideration should be given to both export and non-trade items.

Li Ruihuan Urges Brand-Name Goods for Market

HK0610081794 Beijing ZHONGGUO XINWEN SHE in Chinese 1257 GMT 16 Sep 94

[By reporter Zhao Jian (6392 0256); "Li Ruihuan Hopes China Can Produce More High-Quality Products To Enter the International Market"]

[FBIS Translated Text] Beijing, 16 Sep (ZHONGGUO XINWEN SHE)—Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], today met Sze Chin-hung, chairman of Hong Kong Link (Holdings) Ltd. and vice chairman of the board and general manager of Shenzhen China Bicycle (Holdings) Ltd., and his wife.

Li Ruihuan appreciated Mr. Sze Chin-hung's spirit of creating brand-name products, and suggested systematically disseminating his successful experience in "repaying the country by running industries." In the meantime, he also hoped that Chinese enterprises can manufacture more high-quality products to enter the international market.

Li Ruihuan pointed out that China should use its rich resources to introduce foreign experience and technology and manufacture brand-name products to enhance its competitiveness in the international market.

Since 1982, Sze Chin-hung has so far invested about 1.3 billion Hong Kong dollars on the mainland and built 13 factories in Guangdong, Zhejiang, and other provinces. In particular, Shenzhen China Bicycle (Holdings) Ltd., which was established with his investment, has ranked first in the country in creating foreign exchange earnings through exports for three consecutive years, apart from being one of the country's top 10 foreign-invested enterprises for four consecutive years.

In past years he has donated 3 million yuan to the country's educational undertaking. This year in particular he has donated 10 million yuan to support the mainland's basic educational development.

Wan Guoquan, vice chairman of the National CPPCC Committee, attended this afternoon's meeting.

Coastal Areas Work To Become Economic Centers

OW0610033694 Beijing XINHUA Domestic Service in Chinese 0042 GMT 3 Oct 94

[Article by XINHUA reporters Yu Xi (0151 2569) and Wang Jiayan 3769 1367 6056) "Dragon Head" of the Golden Coast Line—What Is Seen and Heard Along the Coastal Areas in East China"]

[FBIS Translated Excerpt] Shanghai, 3 Oct (XINHUA)—Shanghai is becoming a "dragon head" [leader] of the Chinese economy. The latest data show that up to now Shanghai has imported \$3 billion worth of technologies and absorbed \$20 billion of direct investments and \$6.27 billion of indirect investments; the municipality annually imports about \$30 billion worth of equipment and raw and semifinished materials from abroad. Meanwhile, Shanghai's exports to other countries have reached quite a scale. In the first seven months of this year, it exported \$100 million worth of technologies and \$4.95 billion worth of products. Its overseas investment has also increased considerably. Experts have reached this consensus: With the strengthening of two-way economic exchanges between Shanghai and the world, it is no longer a remote possibility that Shanghai will become the economic center, trading center, and financial center of the Asia-Pacific region.

While covering news in Shanghai, the reporters deeply felt that Shanghai's enterprises have a strong desire to become the "dragon head." [passage omitted]

Some economic experts have said that by proposing that Shanghai should be built into an international economic, financial, and trading center, the Central Committee wants Shanghai to advance in the direction of becoming the leader of the Chinese economy. The drastic increase in the total demand and total supply in the Chinese economy and the trend toward further development built up a strong demand for a "dragon head." In the final analysis, "dragon head" means the center of economic development or the collecting and distributing center, or the most effective and convenient place for a country or a region to develop economic ties and cooperation with the outside world.

Awareness of the importance of the role of a "dragon head" is also emerging in other coastal cities in east China. Leaders of Qingdao, a bright pearl on the eastern coast line, told the reporters that they have decided to give the city a new position. This means to gradually build Qingdao into an open, multifunctional, modern international city with port facilities and foreign trade as its major characteristics. [passage omitted]

Xiamen, another attractive coastal city, may become a regional economic leader. Here, the number of foreign-funded enterprises exceeds 3,000, including huge investment projects by transnational companies; there are also more than 2,000 enterprises formed by domestic companies from various areas. Many cities from the hinterland have sent trade delegations to Xiamen to hold trade talks to solicit trade partners. Additionally, in the past decade or so Xiamen's exports have been increasing at a rate of 33.7 percent a year, and its ties with international markets are expanding.

Commission Sees Growth in Industrial Output

HK0610094894 Beijing ZHONGGUO ZHENQUAN BAO in Chinese 29 Sep 94 p 1

[FBIS Translated Text] A concerned department of the State Planning Commission recently predicted in an

analysis of the impact of market trends on the industrial economy in 1994 that with suitable demand growth, steady increases in consumption demand, and greater pressure from international market competition, the industrial growth rate is expected to be over 15 percent. The following things are to be expected, judging from the trend of rising market demand:

The investment growth rate this year will be lower than last year, while the scale of social investment will go up by more than 13 percent and is likely to generate five percentage points of growth in industrial production; consumption demand will continue to grow steadily; total retail sales of social commodities will rise by about 20 percent, which is capable of generating another six percentage points of growth in industrial production; and exports will rise by about 10 percent, stimulating about two percentage points of growth in industrial production. The United Nations has predicted that the world economy in 1994 is expected to grow by about three percent. Parallel growth in the capacity of international markets will favor China's expansion of its industrial exports, though competition in international markets will become fiercer and trade protectionism will worsen.

Light Industry Grows 'Rapidly' Since 1979

OW0610061494 Beijing XINHUA in English 0602 GMT 6 Oct 94

[FBIS Transcribed Text] Beijing, October 6 (XINHUA)—The reform and opening drive has enabled China's light industry to grow rapidly since 1979 in line with the growing needs of the nearly 1.2 billion Chinese people for consumer goods.

During the 1981-1990 period, the industry's output value rose at annual rate of 9.5 percent, according to the overseas edition of today's "PEOPLE DAILY" [RENMIN RIBAO].

The value amounted to 438.9 billion yuan in 1993, up 15 percent over the previous year, the paper said.

"Production of major light industrial goods has been increasing steadily over the past ten years," it said.

For example, the output of paper has more than quadrupled, that of sugar has soared by 200 percent, that of salt by 50 percent, that of synthetic detergents by 500 percent, that of bicycles by 400 percent and that of wrist watches by 500 percent.

Big-ticket items, such as air-conditioners, refrigerators, washing machines and color TV sets, are becoming increasingly popular throughout China, the paper said.

China has also become a major producer of important light industrial goods in the world, it said.

For instance, it is the world's leading producer of agriculture-related plastic sheets, bicycles, washing machines and ceramics for daily use.

It is the world's second largest producer of beer and synthetic detergents, and the world's third largest producer of wrist watches and refrigerators.

China's light industrial exports came to 30 billion U.S. dollars in 1992, six times the amount in 1980, the paper said.

Over the past ten years, the light industry has improved its product quality markedly by setting national standards, issuing production permits and tightening supervision.

The paper said that 851 kinds of light industrial goods have won state quality prizes and 7,000 kinds of such goods were chosen as quality goods by the former Ministry of the Light Industry.

Over the past few years, Chinese manufacturers have developed nearly 10,000 kinds of light industrial goods annually, it said.

They have introduced foreign funds and technology to improve their product quality and increase the variety of products, it said.

By the end of 1992, the light industry had brought in 2.48 billion U.S. dollars in overseas investment and introduced 1.63 billion dollars in such investment in 1993 alone, the paper said.

It said that some 5,100 foreign-funded firms manufacturing light industrial goods had been set up all over the country by the end of 1993.

The light industry is now vital to the growth of China's economy as a whole and market supplies, it said.

It accounts for one third of China's industrial output value, its exports, and profits and taxes generated by all manufacturers in China, it added.

Government To Expand Social Insurance Programs

HK0510101694 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1116 GMT 17 Sep 94

[FBIS Translated Text] Beijing, 17 Sep (ZHONGGUO TONGXUN SHE)—According to the PRC Labor Ministry, China will soon increase the number of people entitled to unemployment relief funds, from the present 70 million people to 90 million, in its effort to gradually set up a unified unemployment insurance system.

The next tasks for expanding social insurance include: By the end of next year, there will be an increase to 800 in the number of cities and counties selected for experimenting with the system whereby overall arrangements will be made for raising expenses for serious illnesses and whereby personal medical treatment accounts will be opened; the medical expenses for retired workers will be raised by society and provided as social insurance funds; and by the end of this year, the old-age insurance funds

for state enterprise workers in most provinces, municipalities, and autonomous regions will be raised by provincial organs, and an old-age insurance system will be set up under which individuals will be required to pay a sum, in addition to a mechanism under which old-age treatment will be integrated with individual contributions and adjustments of old-age fund will correspond with growth in average wages. By the end of next year, industrial accident insurance funds will be established in 50 percent of all cities and counties across the land.

First High Speed Train Passes Test

OW0510161394 Beijing XINHUA in English 1536
GMT 5 Oct 94

[FBIS Transcribed Text] Beijing, October 5 (XINHUA)—The China made train has gained gear to hit a record of 160 km an hour during a trial operation at the end of September in south China's Guangdong Province.

A train led by a home-made Dongfeng DF11 locomotive ran about 100 km within 29 minutes in a section between Guangzhou, the provincial capital, and Shenzhen which neighbors Hong Kong.

Experts said all the data of the high speed train had reached set standards.

Conference Urges Stabilizing Grain, Oil Prices

HK0510132194 Beijing RENMIN RIBAO in Chinese
3 Sep 94 p 4

[By Pan Gang (3382 1511); "Five Ministries and Commissions Jointly Hold Teleconference, Stressing Need To Do Good Job in Balancing Supply and Demand and Stabilizing Grain and Oil Prices"]

[FBIS Translated Text] Beijing, 2 Sep (RENMIN RIBAO)—The State Planning Commission, State Economic and Trade Commission, State Administration for Industry and Commerce, the Ministry of Internal Trade, and the State Administration for Grain Reserves held a joint teleconference this evening to make arrangements for further stabilizing the grain and oil markets, and prices.

Luo Zhiling, vice minister of the State Planning Commission, pointed out: Governments at all levels should set planning, pricing, grain, industrial, trade, and other related departments to take dynamic measures to strengthen management over the grain and oil markets and prices and to rectify order in the circulation field so as to fundamentally reverse the situation where grain and oil markets are chaotic and prices are soaring.

Luo said: Governments and planning departments at all levels must see to it that the domestic equilibrium between aggregate supply and demand in grain and oil is maintained, and the linkage and balance among different regions and diverse commodities is improved. In areas afflicted with higher prices, large amounts of grain and oil should be supplied to knock down prices.

Imported grain and oil should also be put on sale as soon as they arrive. At the same time, the pricing policy of the state must be earnestly carried out. For that part purchased by government orders, all localities must stick to price levels fixed by the state, and neither forcing prices up or down is permitted. For that part which is bought at negotiated prices, governments in various provinces, autonomous regions, and municipalities directly under the central government must make active arrangements for the purchase at prices established according to demand and price changes in the market. The price of grain that is transported to other places should be determined on the basis of purchase costs plus normal expenses and a small profit. Grain rations on sale in state-owned stores for residential consumption should strictly follow selling prices approved by the state.

Luo said that procurement of rapeseed this year should be done well from start to finish, and no lowering of standards or price rises will be permitted. Purchase prices for soya beans (soya bean oil) bought through government orders should follow the rates set by the state, and the remaining portion should be determined according to demand and price changes in the market. Basic standardized purchase prices of peanuts (peanut oil) should be worked out this year, and attention paid to take the situation in neighboring regions into consideration. On the basis of strictly reaffirming costs at the various links, basic standardized purchase prices for edible oils should be decided and enforced upon approval by local governments. Luo called on pricing departments at various levels to enhance their supervision over the pricing of the major nonstaple foodstuffs, to continue to do a good job of pricing supervision and examination, and to severely crack down on all illegal activities.

Bai Meiqing, vice minister of internal trade and head the State Administration for Grain Reserves, pointed out: Grain departments in the entire country must adopt dynamic measures in the latter half of the year to bring their role as the main channel in grain purchases and sales into full play, persevering in securing and maintaining sources of grain procurement, guaranteeing the grain supply, stabilizing the market, and undercutting soaring prices. In the meantime, regulation of the grain and oil markets and grain prices is to be strengthened. Apart from designated units, no department or individual is allowed to purchase grain directly from the countryside. Work to rectify grain wholesale enterprises must be intensified and fulfilled on time. Unqualified persons are to be deprived of business licenses without fail. It is necessary not only to step up price management over state-owned grain stores but also to step up guidance and control over grain prices in many other channels, market fairs in urban and rural areas, wholesale markets, and grain and oil trading centers. Cornering and dominating the market and whipping up prices will not be tolerated, and severe penalties will be meted out

to offenders when they are discovered. Forceful measures will be taken to focus on stabilizing prices in grain and oil markets in big and medium-sized cities and disaster areas.

Cao Tiandian, vice director of the State Administration for Industry and Commerce, called on administrative organs of industry and commerce at all levels to work in close coordination with the departments concerned to further screen out and rectify grain wholesale enterprises and supervise and inspect grain and oil markets engaged in concentrated or scattered transactions.

Many participants in the teleconference voiced the view that the question of stabilizing the grain and oil markets and prices can be resolved and that conditions exist to ensure its success, although there are difficulties. It should be especially noted that, given the fairly serious disasters in some localities, fairly good harvests have been gathered in summer grain and oil-bearing crops. Purchases of grain and oil are proceeding smoothly, the procurement of rapeseed is faster than last year, a good harvest of peanuts and other autumn oil-bearing crops is in sight, the state has fairly large stocks of grain, shipments of imported grains and oils are arriving one after the other, ample supplies can be ensured, and experience in checking price rises was gained last winter. All these have laid a good foundation for the state to stabilize grain and oil markets and to keep grain and oil prices down.

Ten Percent of Desert Lands Now Under Control

OW0510232894 Beijing XINHUA in English 1628
GMT 5 Oct 94

[FBIS Transcribed Text] Beijing, October 5 (XINHUA)—After four decades of efforts, China has put ten percent of its desert lands under control, the "CHINA ENVIRONMENT JOURNAL" reported recently.

China now has 1.533 million sq km of various desert lands, which takes up 15.9 percent of the country's total territory. Sandstorms causes a loss of 4.5 billion yuan (523 million U.S. dollars) nationwide every year.

During the past decades, China preserved more than 10 million ha of afforested areas, and reclaimed 1.33 million hectares from previous desert lands.

In addition, 11 million ha of farm lands have been brought under protection and 8.93 million ha of grasslands and pastures have been restored or improved.

However, a new period for afforestation started in the late 1980s with the massive sand control program undertaken in the vast areas in north, northwest and northeast China.

According to the state plan, China will afforest another 4.67 million hectares and improve 1.33 million ha of grasslands during the 1990s. By the year 2000, about 30 percent of China's desert lands is expected to be brought under control.

East Region

Anhui's Foreign Trade Expands

*OW0510161494 Beijing XINHUA in English 1536
GMT 5 Oct 94*

[FBIS Transcribed Text] Hefei, October 5 (XINHUA)—Anhui Province, east China, has formed a new foreign trade pattern to export goods through various channels under a unified management.

The province exported 834 million U.S. dollars worth of goods in the first eight months of this year.

Meanwhile, it purchased 7.3 billion yuan worth of goods for export during this period, a rise of 41 percent over the same period last year, ranking among the first in the country.

Since 1992, Anhui has granted more self-export autonomy to its foreign trade departments and enterprises with strong economy.

A survey shows that the amount of goods exported by these departments and enterprises in the first eight months of this year accounted for one fifth of the province's total.

At present, the province exports more than 1,000 varieties of goods to 130 countries and regions.

Fujian Governor Addresses National Day Reception

HK0610111994 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 30 Sep 94

[FBIS Translated Excerpt] We will now read excerpts of a speech by Governor Chen Mingyi, deputy secretary of the provincial party committee, at last night's [30 September] reception in commemoration of the 45th founding anniversary of the PRC.

On behalf of the provincial party committee and government, Governor Chen Mingyi first expressed holiday greetings and heartfelt regards to the workers, peasants, intellectuals, and cadres working on various fronts; to retired comrades; to people in all circles; to units of the three services stationed in Fujian, the armed police force, and public security personnel; and to Taiwan, Hong Kong, and Macao compatriots, as well as Overseas Chinese.

Chen Mingyi said: The PRC has traversed a glorious 45-year path. In the past 45 years, under the leadership of the CPC, the Fujian people have carried out large-scale socialist construction, and have engaged in the great practice of reform and opening up. Earth-shaking changes have taken place throughout the province. Particularly since the Third Plenary Session of the 11th CPC Central Committee, and guided by Deng Xiaoping's theory of building socialism with Chinese characteristics and the party basic line, people throughout the province have seized opportunities, worked hard, and ignited a

period in which Fujian has registered the fastest economic development ever and in which the people have gained the most benefit. In 1993, Fujian's GNP amounted to 104.470 billion yuan, an increase of 36 times over the early post-liberation year of 1950, and fulfilling the target of quadrupling the GNP seven years ahead of schedule. In addition, the province's per capita GDP rose from 22d in the country in 1978 to ninth. Now the province's economy is developing, its society is stable, its politics are tranquil, and a scene of vitality and prosperity has emerged. These achievements are the result of the hard work by Fujian's 30 million people. [passage omitted]

Chen Mingyi continued: From now until the early period of the next century is a crucial period for Fujian's modernization. We must continue to implement General Secretary Jiang Zemin's important speech and the instructions of the Fourth Plenary Session, take this implementation as a new point of departure, make great efforts for further achievements, strive to increase the GNP by eight-fold in the Ninth Five-Year Plan, and bring about moderate prosperity in the people's lives. In the year 2020, the province will make its total economic volume, per capita GDP, and major social development indices rank in the country's forefront, and the people's standard of living will reach the level of medium-income countries. [passage omitted]

Chen Mingyi hoped that Taiwan, Hong Kong, and Macao compatriots; overseas Chinese; and friendly foreigners will continue to support Fujian's construction and modernization. [passage omitted]

More Businessmen Return to Farmland in Zhejiang

*OW0410155294 Beijing XINHUA in English 1507
GMT 4 Oct 94*

[FBIS Transcribed Text] Hangzhou, October 4 (XINHUA)—More than 2,000 business people in east China's Zhejiang Province have returned to the farmland, not because they have lost money but because they want to make more money.

However, Shi Shenggen was considered eccentric by his neighbors six years ago when he gave up his position as manager of a major restaurant in Xiaoshan city and contracted more than 33 ha of farmland in his home village.

"No matter how much money we make, we cannot forget the land on which our ancestors have toiled on for generations," said Mo Xiaotu, formerly a salesman and now a contractor of some seven ha of farmland.

With the second and tertiary industries booming, non-agricultural labor forces in Zhejiang are increasing year by year. Now more than four million former farmers in the province are working in township enterprises.

The returning of the industrial and commercial managers has refreshed people's hope for the farmland. The majority of the farmland managers have gained high yields from farmland thanks to their managerial experience and relatively solid funds accumulated before.

Take Shi Shenggen for example. Now the farm fields he contracted increased to more than 120 ha and he managed to sell more than 800,000 kg of grain to the government a year. With the help of modern farm machines, six members of his family now manage a farm which has the same scale as that of a local township.

Hu Jinlong was considered "crazy" by his aged mother when he gave up the lucrative transportation business several years ago. In five years, he invested 1.1 million yuan and reclaimed more than 74 ha of wasteland. He invited experts from universities and research institutes to develop land resources. In 1993, he profited 3.5 million yuan from his farmland, much more than he obtained from the transportation trade.

In Wenzhou, one of the hotbeds for China's market economy, about 80 percent of the 180 farmers, each of whom runs more than 6.6 ha of farmland, were once successful business people in industry and commerce.

At present, the provincial government is drafting policies to cultivate the tide of "returning to the farmland".

Central-South Region

Guangdong's Lin Ruo on People's Congress

HK0610094994 Guangzhou NANFANG RIBAO in Chinese 14 Sep 94 pp 1, 2

[Article by Lin Ruo (2651 5387): "Strengthen Building of Socialist Democracy and Legal System—Marking the 10th Anniversary of the Founding of the People's Congress"]

[FBIS Translated Text] In September 1954, 40 years ago, China solemnly held the first session of its first National People's Congress [NPC]. The session adopted the first Constitution of the PRC, the NPC Organization Law, and other important documents on building of the state organs of power, which embodied the establishment of China's people's congress system and became China's fundamental political system. The Constitution declares that China is a socialist state under the people's democratic dictatorship. "All power in the PRC belongs to the people. The organs through which the people exercise state power are the National People's Congress and the local people's congresses at different levels. The people administer state affairs, and manage economic, cultural, and social affairs through various channels and in various ways in accordance with the law." The Constitution also stipulates: "All state organs, the armed forces, all political parties and public organizations, and all enterprises and undertakings must abide by the Constitution and the law. All acts in violation of the Constitution and

the law must be investigated. No organization or individual may enjoy the privilege of being above the Constitution and the law."

Over the past 40 years, we have done a great deal of work to uphold and improve the people's congress system, which gradually has perfected the framework of the people's organs of power. Since the Third Plenary Session of the 11th CPC Central Committee, the building of socialist democracy and the legal system has been enhanced somewhat, education in popularizing the law has begun, and legislation has been stepped up. The people's congresses at all levels gradually have exercised supervision over the work and laws of the "one government and two chambers." On the whole, however, the progress of building democracy and the legal system is still incompatible with the developing needs of the situation and of the development of the market economy.

Since reform and opening up, China has achieved tremendous and world-acknowledged successes in economic construction. Following the important talks by Comrade Deng Xiaoping during his southern inspection tour, economic construction in all parts of the country has developed by leaps and bounds. Guangdong took the lead, and scored outstanding achievements. Nonetheless, a number of worrying problems have cropped up, such as the abuse of power for personal gain, corruption and bribery, pornography, gambling, and other ugly social phenomena have spread unchecked and reached an intolerable level. In this regard, the masses of the people have expressed their strong dissatisfaction.

Leaders at all levels have made strenuous efforts to deal with these corrupt practices every year, but the results have not been clear. Why? In my opinion, imperfect democracy and legal system constitute one of the important reasons. People do not yet have a strong sense of the legal system, have not attached due attention to the Constitution and laws, and have "failed to follow and strictly enforce the law, and to sternly punish violations of the law." The practice of "taking one's say as the law" remains common. Inevitably, under such circumstances, all sorts of corrupt practices have spread unchecked. In a recent survey of the indiscriminate occupation and use of farmland across the province, the Guangdong People's Congress Standing Committee discovered that a number of localities had defied the laws and regulations, used land without approval, overstepped their authority, and broken the whole into parts. Moreover, individual leaders had the say, the laws and regulations were replaced by the collective decisions of leading bodies, and some people even abused power for personal gain. All this shows that some people have not kept themselves within the bounds of the law and people's supervision. Power that is not within the bounds of supervision inevitably will move toward corruption. Comrade Mao Zedong pointed out long ago: "A government will not dare be negligent as long as it is kept under supervision by the people. The government will not perish as long as

every person undertakes his responsibility." The establishment of the people's congress system in China was based on this guiding ideology of Mao Zedong. The Constitution has clearly endowed the NPC and its Standing Committee with the powers to exercise supervision over the "one government and two chambers." For a long time, however, some people have failed to attach importance to building and improving this system. As they did not pay due attention to the building of socialist democracy and the legal system, the principles enshrined in the Constitution have not been implemented properly. If these principles stipulated in the Constitution are implemented, our country can easily embark on the track of the legal system, which will enable us to attain the target of maintaining the long-term stability of the state and to bring about the country's prosperity as soon as possible.

There are many reasons for the failure of the building of democracy and the legal system to meet the needs of the developing situation. Fundamentally speaking, it is still a matter of understanding. Many people have failed to earnestly sum up historical experience and lessons, and are not willing to be bound strictly by the Constitution and the law. As a result, they are not determined in implementation.

Comrade Deng Xiaoping said: "To ensure the people's democracy, it is necessary to strengthen the legal system. We should institutionalize and legalize democracy so that this system and laws will not change because of a change of leaders, or because of a change in the views and attention of leaders." Well said. We hope that more leading cadres at all levels will understand the importance and urgency of strengthening socialist democracy and the legal system, and will realize this historical trend and people's desire. They should take the lead in studying, abiding by, and enforcing the law; pay attention to education in the legal system in their own localities or departments; foster views and habits of following laws; and bring all work into line with the legal system. It is necessary to carry out education in administering provinces, cities, and counties by law, and to establish and improve the responsibility system for enforcing the law. The administrative departments should rely on the law to carry out administration, and law enforcement departments should enforce the law strictly. It is necessary to inspect law enforcement in a planned manner, and to resolutely check the practices of officials taking their words as the law, abusing power to defy the law, violating the law while enforcing it, bending the law for the benefit of relatives or friends, not following the law strictly, and not investigating and dealing with violations of law. We should strengthen the building of the people's congresses at various levels, give full play to the role of the people's congresses and deputies at all levels in exercising supervision over "one government and two chambers," strictly observe the Constitution and law, and earnestly organize implementation. If we can do so, our country will be full of

promise, our work will be further improved, and corrupt practices will be effectively curbed.

Guangdong Limits Seeking Aid From Enterprises

HK0510153394 Beijing ZHONGGUO XINWEN SHE in English 1144 GMT 5 Oct 94

[FBIS Transcribed Text] Guangzhou, October 5 (CNS)—A ban on unauthorized demand for assistance is clearly stated in an urgent message sent from the Guangdong Commission for Discipline Inspection of Communist Party of China, the Guangdong Department of Supervision and relevant department of the provincial government to various city and county party committees as well as local governments and other organs across the province. The move is aimed at consolidating the achievements acquired from anti-corruption campaign.

The notice pointed out that some departments especially some societies, associations and foundations asked for unauthorized financial support in various kinds of names from enterprises and grass-roots groups. Some of such financial aid was then wasted in extravagant spending.

It called for correction of such wrong-doing and self-overhaul was to be carried out by late this month by those entities which had since the beginning of this year demanded for economic support on their own in various kinds of names from enterprises and basic units without prior approval from organs in charge of examining fund-raising. Should the wrong-doing not be corrected before the deadline, it would be considered violation of discipline and the leadership of such entities would be asked for responsibility.

The notice stressed that all entities wanting economic assistance from enterprises and basic units had to tender application which should be attached with opinion from department in charge of these entities and prior consent from those enterprises involved in such assistance was required. The application is then submitted to the authorities for approval. Entities and individuals are not allowed to demand unauthorized assistance from enterprises and grass-roots units which are entitled to refuse to offer any support. Entities and individuals found to have made demand for such assistance without prior approval will be dealt with for their infringement of discipline.

The notice also encouraged enterprises to exercise their rights in accordance with the law on industry and enterprises of public ownership to spontaneously boycott the practice of asking for unauthorized assistance.

Guangdong Begins Levying Special Car Tax

HK0610082094 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 5 Oct 94

[FBIS Translated Text] With the approval of the provincial government, on 1 October, Guangdong began levying a tax on vehicles using the highway infrastructure.

The objects of taxation include newly purchased or reassembled sedans and trucks, coaches each with a seating capacity of less than 22, passenger-cargo vans having double rows of seats and a weight of less than 1.5 tonnes, two- or three-wheeled motorcycles, and any vehicles of the above varieties transported from foreign provinces to our province for registration.

The standard of levy is: Vehicles made in China will be levied at a progressive rate of three percent of their purchase prices, whereas imported ones will be levied at a progressive rate of three percent of their composite prices, which are calculated by adding import duties to CIF [cost, insurance, freight].

Shenzhen Cracks Down on Radio 'Interference'

HK0510152694 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0846 GMT 16 Sep 94

[FBIS Translated Text] The Shenzhen authorities are stepping up action to stop the increasingly serious radio communication interference.

There are close to 100,000 radio transmitters in Shenzhen, hundreds of wavelengths in use, close to a thousand radio communication networks, scores of radio communication services, and layers of public and private networks covering the whole city. Radio is an essential, integral part in the city's economic construction.

However, some people have set up private stations, tap into people's wavelengths, and made conditions in radio communication increasingly deplorable. This is very bad for economic construction.

The production, import, sale, and use of high-power indoor wireless telephones with high transmission power and varied frequencies are strictly banned. But there have been illegal production, import, sale, and use of such telephones in the city. Recently, the city committee for radio administration uncovered a group of underground factories and found a number of indoor wireless telephones, some with power as high as 100 watt, equivalent to a radio station's main transmitter. Its use has resulted in snow effects for television, digital transmission errors, and pager call mistakes or omissions.

The Shenzhen Committee for Radio Administration has decided to step up management of the use of wavelengths. It has directed radio stations with assigned wavelengths to re-register for screening; will resolutely clamp down on unregistered and unlicensed radio stations; close down unauthorized transmission stations; and investigate and tackle cases in which wavelengths are changed and transmission power upgraded without proper authorization. Sales markets will also be screen and rectified; unlicensed operations, displaying and selling high-power indoor wireless telephones, and the sale of fake and inferior commodities will be stopped.

Hainan Emphasizes Planning Lead Development

HK0510150894 Beijing ZHONGGUO XINWEN SHE in English 1135 GMT 5 Oct 94

[FBIS Transcribed Text] Haikou, October 5 (CNS)—Since Hainan was set up six years ago, its industry has seen faster and larger-scale development than other sectors. Lacking good management and fundamental planning, however, its industry certainly has blindness in distribution and development, disclosed at the meeting on Hainan industrial development.

At the meeting, it is emphasized that all cities and counties should strengthen their management and set up a concept that "planning goes before development". They should map out proper industrial development programme, act according to abilities, emphasize key points, relocate enterprises for a better distribution. Privileged policies should be enacted to improve investment environment and attract foreign investment. More emphasis should be put on training talented personnel and upgrading technology so as to enable Hainan industry to develop in a more healthy and rapid manner.

According to relevant information, since the set-up of Hainan Province, the total volume of fixed asset investment has been almost doubled the sum of the previous 35 years before the establishment of the province. Gross industrial output increased by 22 percent to 28 percent on average. In 1993, the gross industrial output was RMB [Renminbi] 10.317 billion, forming a system with over 20 industries and 3,000 products, including metallurgy, electronics, light textiles, chemical industry, machinery, medicine, salt, construction materials, electricity, etc.

On the basis of state industrial policies, Hainan takes into consideration conditions like that of its natural resources, fully utilizes privileged policies offered by the central government, increases investment in profitable pillar enterprises and key industries so as to regulate the internal structure of its industries. Previously raw materials for light industries were mainly agricultural products, now the proportion has been regulated to have more non-agricultural products being used as raw materials. This is a fundamental change from the past of having over 80 percent primary processed industries to high-tech industries. In the past food industry accounted for a major proportion, now industries like chemical fibre, tobacco, electronics, medicine, plastic product, automobile, motorcycle, etc. have been developed one after another. Among more than 100 new products, over 50 reached advanced level of the country. Various key industrial projects, such as chemical fertilizer plant, 6 million-tonne refinery, 500,000-tonne steel works, 820,000-tonne cement plant, etc. have started construction so as to enhance industrial development of Hainan.

Southwest Region

Guizhou Leaders Relay Spirit of Plenary Session

HK0610103894 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 30 Sep 94

[FBIS Translated Text] The Guizhou Provincial CPC Committee's Standing Committee held a meeting yesterday [30 September] to relay and study the spirit of the

4th Plenary Session of the 14th CPC Central Committee, and to make arrangements for relaying, studying, and implementing the plenum's spirit throughout the province. Provincial party committee Secretary Liu Fangren briefed the Standing Committee members about the Central Committee plenum, and relayed to them the plenum speech by General Secretary Jiang Zemin. Governor Chen Shineng, deputy secretary of the provincial party committee, relayed the decision of the CPC Central Committee on a number of major issues concerning the work of strengthening party building. Leaders of the provincial party committee, the provincial people's congress, the provincial government, the provincial committee of the Chinese People's Political Consultative Conference, the provincial military district, and the departments concerned, including Long Zhiyi, Wang Siqui, Wang Guangxian, Hu Kehui, Lian Ronggui, Wang Shouting, Huang Yao, Yu Zhonggui, Liu Yulin, and Zhong Mingli, attended the meeting.

Liu Fangren said: The Fourth Plenary Session of the 14th CPC Central Committee was an important meeting concerning the overall and long-term situation of the country. Comrade Jiang Zemin's speech scientifically analyzed the domestic and international situation that our party building work is facing, and stressed the need to uphold the principle of serving the people wholeheartedly. The decision of the CPC Central Committee on a number of issues concerning the strengthening of party building gave expression to Comrade Xiaoping's ideas about party building and to the spirit of the party's 14th national congress. It not only gives detailed theoretical expositions, but also is strongly practical and feasible. It is an important document for strengthening party building under the new situation.

Liu Fang required that all local and departmental party organizations throughout the province rally closely around the party central leading body, with General Secretary Jiang Zemin as the core; work conscientiously in the field of party building; properly arrange study of the spirit of the Fourth Plenary Session of the Central Committee; understand the essence; increase a sense of party, better understand the party's objective and tasks; effectively advance the party's ideology, style, and organizational building; work out feasible plans for implementing the spirit of the Central Committee plenum in the light of Guizhou's conditions; and take this as the driving force to try by every possible means to fulfill this year's plan for Guizhou's socioeconomic development.

Guizhou Improves Agricultural Output

OW0610031794 Beijing XINHUA in English 0245
GMT 6 Oct 94

[FBIS Transcribed Text] Guiyang, October 6 (XINHUA)—The mountainous Guizhou Province has made progress in agricultural development by building more terraced fields and transforming the low-yield land.

A survey shows that agricultural output value of this southwest China's province totalled 17.68 billion yuan

last year, and the net income of farmers averaged 580 yuan per capita, an increase of 130 percent and 430 percent than 1978, respectively.

Guizhou is a typical karst mountainous area.

Altogether, 97 percent of the province is covered by mountains and hills, only three percent is plain, reducing the farmland per capita to about 0.055 hectares.

To boost the agriculture, the provincial government has encouraged local farmers to build terraced fields on slopes, which cover 80 percent of the total farmland, throughout the province.

Annually, farmers build 33,300 hectares of terraced fields, bringing the total area of terraced fields in the province to 113,300 hectare.

At the same time, farmers are addressing themselves to upgrading the low- or medium-yield farmland, about 74 percent of the total.

According to the specific conditions of the land, they dug irrigation canals, improve poor land, apply lime and green manure to acid land and infertile land.

They also have dug hundreds of thousands of water pits, each with a volume of dozens of cubic meters, to solve the problem of water shortage.

To make full use of the agricultural resources, local farmers have started to develop winter crops, build gardens of tea, mulberry, fruits and medicinal herbs, plant trees and breed animals and aquatic beings.

Up to now, about 200,000 hectares of waste mountainous area and water surface have been opened up, and the exploitable area remains 4.66 million hectares.

As a result, agricultural output grew markedly.

Last year, the province produced 8.7 million tons of grain, 886,000 tons of meat and 391,000 tons of rapeseeds, an increase of 35.1 percent, 590 percent and 430 percent than 1978, respectively.

To speed up the agricultural development, the province has focused on the exploring the resources of tropical and subtropical plants and animals.

Tibet Chairman on Development Objectives

HK0610081294 Beijing ZHONGGUO XINWEN SHE
in Chinese 0707 GMT 8 Sep 94

[FBIS Translated Text] Lhasa, 8 Sep (ZHONGGUO XINWEN SHE)—"The CPC Central Committee's and State Council's third Tibet work conference has put forward future work policies and aims for Tibet's social and economic development. We must seize the opportunity, speed up development, and work hard to open a new dimension in Tibet's work," said Raidi at the Sixth Plenary Session of the Fourth Tibet Autonomous Regional CPC Committee.

Raidi, incumbent Tibet Autonomous Regional CPC Committee executive deputy secretary and the region's chairman, read to the sixth expanded plenary session a report entitled "Go All Out To Open a New Dimension in Work on Tibet Taking Advantage of the Third Tibet Work Conference" on behalf of the Tibet Autonomous Regional CPC Committee. His report was divided into five parts: One, unify thinking on the spirit of the third Tibet work conference. Two, achieve above-average development of Tibet's economy. Three, achieve long-term stability and peace in Tibet. Four, consolidate and expand the patriotic united front. Five, accept the heavy historical mission of opening a new dimension in work on Tibet.

How to achieve the social and economic development objectives for the future? Raidi stressed six aspects in his address:

- Firmly and comprehensively implement the guiding policies for Tibet work under the new situation, try our best to achieve above-average development, and change Tibet's backwardness. Only then can we narrow the gap between Tibet and the rest of the country.
- It is necessary to deepen reforms if we want to speed up development.
- Actively expand opening up to the outside world; create a multi-channel, multi-layer, and all-directional pattern of opening; expand mutual economic complementarity with the rest of the country on the basis of the principle of comparative advantage; encourage businesses from other parts of the country to invest in and initiate businesses in Tibet; continue to increase foreign trade; and vigorously develop tourism.
- Optimize production structures; highlight key sectors; promote comprehensive development; develop electric power, transport, telecommunications, and other types of infrastructure with suitably greater efforts.
- Rely on science, technology, and education to invigorate Tibet; consistently place education in a strategic position enjoying priority for development; focus on training technical and vocational talent at junior and intermediate grades; strengthen basic education; and continuously optimize tertiary education.
- Insist on self-sufficiency and arduous struggle. The state, provinces, cities, and regions are providing help and aid in 62 of the projects Tibet is pursuing, displaying fully the warmth of the great family of the motherland. But the development of Tibet still relies on the efforts and struggle of nationalities and patriots in all walks of life, who will change the face of Tibet with diligence and wisdom.

On the favorable conditions for creating a new dimension, Raidi said: Tibet has abundant natural resources. Economic development over the last 40 years has laid a

foundation and trained a number of experts and contingents of human resources in various trades and professions. The annual economic growth rate in 1993 was 8.1 percent. With its own efforts and the powerful support from the state, provinces, cities, and regions, it is entirely possible not only to achieve but also to exceed an annual 10 percent economic growth rate.

Tibet Media Sector Enters 'Vigorous Growth'

OW0510120794 Lhasa Tibet Television Network in Mandarin 1200 GMT 28 Sep 94

[Announcer-read report over video; from the special National Day report "The Glorious Path" in the "Regional News Hookup" program]

[FBIS Translated Text] Thanks to the attention of party committees and governments at all levels, and hard work by several generations of radio and television workers, Tibet's radio and television sector has entered a favorable phase marked by vigorous growth.

Relevant statistics show that as of 1993, the region had two radio stations, two radio television stations, 28 radio transmission and relay stations, 203 television relay stations, and more than 600 satellite ground receiving stations. Radio and television broadcasts were received by 40 percent and 37 percent, respectively, of the regional population. People in 81 prefectures, cities, and counties, as well as one-third of the townships in the region, were able to watch television and listen to the radio.

Construction of the radio and television center, a project of interest to people throughout the region, began in August last year. The center is expected to become partially operational next year, when the autonomous region commemorates its 30th founding anniversary. The project, which is heavily funded by the state, can broadcast eight radio and television programs simultaneously after it is completed. [video pans the construction site where a circular building with an open space in the center is under construction]

With the development and improvement of hardware, Tibet has acquired a fairly strong capability to produce radio and television programs. Currently, the Tibet People's Broadcasting Station has two sets of self-produced programming, and broadcasts around the clock. The "Broadcasts to Farming and Pastoral Areas," "White Lotus in the Air," and "Time and Space on the Plateau" programs are being aired by hosts. The Tibet Television Station has begun to operate on a fairly large scale. It has two sets of self-produced programming, and broadcasts 18 hours each day. It also relays two China Central Television programs. Its major program, "Tibet News," has become the "Regional News Hookup," with marked improvements in editing and production. After hosts were introduced to the "In Tibet" and "Literary and Art World" programs, television broadcasts have become more relevant to people, reality, and everyday

life. The "Movies and Television" and "One Tibetan Word" programs are broadcast without interruption each week, becoming the most popular programs with the Tibetan people.

Since Tibet developed its radio and television sector, the number of radio and television employees, composed mainly of the Tibetans, has increased. During the early years of the Tibet People's Broadcasting Station, there were only 26 cadres, workers, and staff members; the number was even smaller at the Tibet Television Station—only seven. The number of radio and television cadres, workers, and staff members across the region has increased to more than 1,400, of whom more 80 percent are Tibetan. In addition to department-level leading cadres, these cadres, workers, and staff members include senior reporters, translators, engineers, and announcers. They are playing key roles in coverage, editing, translation, and broadcasting departments.

North Region

Hebei Makes Arrangements for Rural Security

SK0510144094 Shijiazhuang HEBEI RIBAO in Chinese 16 Sep 94 p 1

[FBIS Translated Text] The provincial meeting on work reports on consolidating rural public security concluded in Langfang on 15 September. It was stressed at the meeting that we should concentrate our efforts on grasping the consolidation of rural public security by regarding it as a systematic project.

After hearing the reports by various cities and prefectures, Xu Yongyao, deputy secretary of the provincial party committee, pointed out: We should further upgrade our understanding of the importance of consolidating rural public security and enhance our sense of emergency and responsibility in this regard. Hebei is a large agricultural province, and its rural population accounts for more than 80 percent of the total. The province also embraces the capital of the country, and thus is the door to the capital. We must understand the importance of the struggle to consolidate rural public security from the high plane of maintaining stability in the province as a whole as well as the capital's security, to develop the province's economy, and to promote the province's reform and opening up. We must also have the leadership at all levels enhance their sense of emergency and responsibility in this regard.

The province's current public security situation brooks no optimism. The situation in rural public security is still very serious, and is directly affecting social peace and political stability in the province as a whole, the smooth implementation of the party's rural policies, and the development of the rural economy. Currently, tasks for rural reform and development are very heavy. Under the new situation in which the plight is intricate, the work of maintaining rural stability becomes more urgent and important.

In consolidating rural public security, attention should be paid to grasping key points and dealing with local prominent problems. Consolidating rural public security represents a larger systematic project. We should simultaneously grasp those measures to deal blows at crime, prevent crime, establish systems, and conduct education and reform. The project involves various fronts and social circles. However, leadership at all levels, and particularly leadership at the city-prefecture level, must pay attention to grasping the key points and characteristics in this regard as well as have measures suitable to local conditions. They must also earnestly study and formulate their plans to consolidate rural public security, which are suitable to their reality, and must clearly define their working tasks and fighting targets as well as measures to fulfill these tasks and targets. To this end, a good job should be done in emphatically grasping the following five links:

First, we should go all out to successfully consolidate party branches at the grass-roots level and village committees. Successfully building party organizations at the grass-roots level represents the final demand for the consolidation of rural public security, and represents a central link and important task for the consolidation struggle as a whole. In the course of consolidation, special attention should be paid to accurately selecting cadres. Efforts should be made to train cadres so as to upgrade their working capability and their level of understanding policies. A good job must be done in building party branches and in enabling them to truly play a leading or core role in public security consolidation. A good job should be further done in building party organizations at the grass-roots level so as to strive to consolidate the paralyzed or semi-paralyzed party branches within the year and to change the outlook of backward party branches in the first half of 1995.

Second, we should resolutely implement the principle of heavily punishing criminals in a timely manner in line with the law, and deal strict blows at criminal activities in various categories. Procuratorial and judicial departments at all levels across the province should regard as an important task of consolidating rural public security the dealing of heavy blows at various serious crimes in a timely manner and in line with the law. A good job should be done in consistently and earnestly grasping the work. Without the measure of dealing strict blows, it is impossible for us to succeed in consolidating rural public security. In the course of the consolidation struggle, procuratorial and judicial departments at all levels should earnestly and successfully handle the problem in which blows at crimes have not been effectively dealt. They should coordinate one another and make concerted efforts so as to deal powerful blows at criminal elements, and ensure the smooth progress in the province's struggle of consolidating rural public security.

Third, we should go all out to successfully grasp the consolidation work at key villages and towns. According to the central authorities' demands, we should carry out

the work of consolidating key villages and towns group by group and stage by stage. We should give priority to consolidating villages and towns whose social peace and order are most chaotic and whose criminal elements are arrogant. We should vigorously consolidate them, concentrate our efforts on launching a battle of annihilation in the consolidation, and create a well-consolidated village or town, bringing along a large number of villages or towns around it.

Fourth, we should conduct propaganda and education on legal systems among all the people. Conducting education on legal popularization, and implementing the measures of conducting assistance and education, represent the important methods of consolidating rural public security. We should publicize legal knowledge among the masses through programs loved by the people, and by adopting the form of audio-visual images so as to let the masses hold the legal weapons to fundamentally prevent or reduce crimes, to successfully safeguard the rural social order, and to maintain rural social stability.

Fifth, earnestly enhance the construction of basic work at the grass-roots level. In conducting consolidation work, various localities should establish or perfect militia, public security, civil dispute mediation, and joint defense organizations. They should continuously enforce the system of joint defense between civilians and police, and the system of having directors of buildings and neighborhood compounds be responsible for security and implement the measures of apartment-style management. Efforts should be made to enable these organizations to have normal operation and ensure that these measures are effectively enforced. We should enhance the basic work at the grass-roots level and reduce the factors that can induce crimes and cause public security disasters and accidents. This represents the essential technique of the consolidation work as well as a fundamental measure to effect a permanent cure. Hereafter, in conducting appraisals, attention should be paid to commanding units and localities that have made achievements in this regard.

Xu Yongyao stressed: We should concentrate our efforts on consolidation work, and should adopt effective measures to vigorously and successfully conduct the work in various fields. Efforts should be made to realistically enhance the leadership and dynamics in this work. We should stress not only the leading dynamics of party committees and governments at all levels, but also leading and commanding dynamics of public security, organization, judicature, and civil affairs fronts. The first leading personnel of party committees at all levels must realistically assume responsibility, truly regard as a political task the struggle of consolidating rural public security, and place the struggle on their important schedule. A good job should be done in earnestly organizing the contingent of personnel in charge of consolidating rural public security and in training personnel at every level. Efforts should be made to enhance the dynamics in propaganda, to stress practical effects, to

deeply conduct investigations and studies, to bring the typical role into play, and to strictly enforce the responsibility system. Counties (county-level cities), townships, and towns should adopt the method of having their leading personnel be responsible for the consolidation work in certain areas, and fulfill the responsibility in this regard to every personnel. We should commend those who have done the work well, give assistance and education to those who have not effectively done the work, and set limited dates for backward areas to change their outlook. Through notice and criticism, we should transfer specific personnel who have not been responsible for their work and whose work in this regard has been backward. We should earnestly enforce the "veto with one vote" in punishing those who have failed in the comprehensive management of public security.

Lastly, Xu Yongyao pointed out: Consolidating rural public security in order to maintain the stability in the province as a whole, to promote economic development, and to give chances to the people to become better-off represents a major line of consolidation struggle as a whole. We should have the major line run through the entire struggle from beginning to end. Meanwhile, a good job should be done in grasping the following "four combinations": 1) Efforts should be made to integrate attacks on criminals with crime prevention. 2) Efforts should be made to integrate the struggle of consolidating rural public security with the work of running villages in line with the law. 3) Efforts should be made to integrate the work of consolidating rural public security with that of enhancing urban public security. 4) Efforts should be made to integrate the struggle in this regard with the work of enhancing the construction of contingent procuratorial and judicial personnel.

Xu Weihua, director of the general office under the Central Committee for Comprehensive Management of Social Security, attended the meeting and delivered a speech in which he acknowledged the work done by Hebei Province in consolidating rural public security. He also praised the work done by the province in turning the central spirit into actual action by proceeding from reality and according to its local conditions, as well as in laying a solid foundation for rural stability.

During the meeting Gu Erxiong, vice governor of the province, also delivered a speech to voice his opinions on the issue of how to successfully consolidate rural public security. He stated: Based on unified thinking, we should simultaneously uphold attention to both attacking criminals and crime prevention. In line with the principle of regarding crime prevention as the main task, we should enforce the fundamental measures of grasping consolidation at grass-roots levels; making breakthroughs in weak links; and successfully laying a foundation. We should also implement in an overall manner the responsibility system, and should continuously explore new ways and ideas for consolidating rural public security so as to promote the overall development of the rural economy.

Inner Mongolia Secretary on Party Plenum Work

SK0610021094 Hohhot NEIMENGGU RIBAO in Chinese 16 Sep 94 p 1

[By reporter Hao Bin (6787 2430): "The Ninth Plenary Session of the Fifth Autonomous Regional Party Committee Held"]

[FBIS Translated Text] The ninth plenary session of the fifth autonomous regional party committee opened on 15 September.

Liu Mingzu, secretary of the autonomous regional party committee, gave a work report to the plenary session on behalf of the standing committee of the regional party committee. Wu Liji, deputy secretary of the autonomous regional party committee and chairman of the government, presided over the session. Attending the session were Qian Fenyong, Bai Enpei, Wang Zhan, Wuyunqimuge, and Feng Qin.

Also attending the session as non-voting members were veteran comrades who have been working in our region for a long time, the party members and the leading comrades of the six leading bodies of the autonomous region, responsible persons of all departments, committees, and offices of the autonomous regional party committee and of all committees, offices, departments, and bureaus of the government, and secretaries of the party committee and heads of various leagues and cities.

On the occasion of summarizing the work since the eighth enlarged plenary session of the fifth autonomous regional party committee, Liu Mingzu pointed out: Over the past eight months, the autonomous regional party organizations at all levels proceeded from the reality of all districts, conscientiously implemented the guidelines of the 14th National Party Congress and the Third Plenary Session of the 14th CPC Central Committee, centered on the general tasks of "seizing the opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability" defined by the party central committee, did much work, and achieved significant results.

Liu Mingzu specifically summarized the work of the past eight months from the following four aspects.

First, in line with the objective of building the socialist market economy system, various reforms were continuously deepened. The autonomous region, and all leagues, cities, banners, and counties conscientiously carried out this year's various reform policies formulated by the state. For the need of making industries and enterprises adapt to the socialist market economy system as soon as possible, at the beginning of this year, the autonomous regional party committee and government put forward the overall requirements and specific measures for accelerating the change of enterprise mechanisms, and centered on the work of changing the mechanism of small, poor, and money-losing enterprises and the experimental work of establishing the modern enterprise system in

large and medium-sized enterprises. As for the aspect of rural and pastoral reform, we paid great attention to the construction of socialized comprehensive service departments on the basis of stabilizing and perfecting the responsibility system of taking the family-based output-related contracting and the double contracting of grasslands and livestock as the priority.

Second, the progress of national economic development was accelerated and comprehensive economic efficiency was enhanced to some degree. Autonomous regional party committees at all levels conscientiously implemented the guidelines of the two rural work conferences of the central authorities on strengthening the leadership of rural and pastoral work, on further consolidating the fundamental role of agriculture and animal husbandry, and on further developing the economy of rural and pastoral areas. Consequently, the annual total number of livestock of the autonomous region's animal husbandry amounted to 57.122 million, a net increase of 1.344 million over the previous year, an all-time record. Without the occurrence of early frost and other natural calamities, the estimated total output of grains would still amount to 20 billion kilograms or so. The output value created by township enterprises totaled 20.334 billion yuan, up 80.76 percent over the same period last year; their taxes reached 648 million yuan, up 72.56 percent over the same period last year, and their profits amounted to 1.624 billion yuan, up 63.03 percent over the same period last year. As for industrial production, in line with the present situation of the autonomous region, we adopted a series of measures for ending deficits and increasing profits and for enhancing efficiency. Thus, the industrial production across the autonomous region maintained a better trend of increasing, and the comprehensive economic efficiency was enhanced to some extent. From January to August of this year, the total industrial output value totaled 22.79 billion yuan, up 9.09 percent over the same period of last year; the industrial sales value totaled 21.17 billion yuan, up 8.42 percent over the same period last year; and the sales rate of industrial products was 91.86 percent. The financial revenue situation was good with local financial revenue totaling 1.697 billion yuan from January to August of this year, which, if calculated in terms of comparative standards, is a 23.6 percent increase over the same period last year; and financial expenditure was also brought under control.

Third, we achieved desired results in social stability, national unity, the comprehensive management of public security and order, and other works across the autonomous region. Party committees at all levels upheld the policy of "taking a two-handed approach in work and being tough with both," and did lots of effective work in such aspects as strengthening the construction of socialist spiritual civilization, promoting national unity, and safeguarding social stability.

Fourth, party construction was further strengthened and improved. The party committee of the autonomous

region clearly put forward the guidelines and a series of specific requirements on party building work. Party organizations at all levels regarded the study and mastery of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as strategic tasks in making arrangements and plans. The mastery of theory by leading cadres at all levels was enhanced through study and their consciousness of using scientific theory to guide the work practice was further strengthened. In line with the reality of party building work across the autonomous region, the party committee of the autonomous region formulated plans and measures for strengthening the party building work of the rural and pastoral areas and the state-owned enterprises. The anti-corruption struggle achieved the expected results in its initial stage under the leadership of the party organizations at all levels.

In his report, Liu Mingzu drafted plans on the major work of the last four months of this year. He said: We should continue to deeply study Volume 3 of the *Selected Works of Deng Xiaoping*, use the theory of building socialism with Chinese characteristic as the guidance for work practice, firmly grasp the general tasks of the whole party and the whole country, continuously handle the relationship between reform, development, and stability well, regard development as the goal, reform as the motive force, and stability as the precondition, and strive to do a good job in various works.

We should realistically do a good job in agricultural and animal husbandry production and the rural and pastoral work. All districts should further strengthen leadership of agricultural and animal husbandry production and of the rural and pastoral work, pay great attention to the building of agricultural and animal husbandry infrastructure facilities, the readjustment of industrial structure, the development of township enterprises, the invigoration of agriculture and animal husbandry through science and education, the deepening of reform, and other priority works, and strive to make new progress and breakthroughs. In the next four months, we should focus on the infrastructure construction of farmlands, grasslands, and pasture lands during this autumn and winter, and do a good job in making various preparations for next year's production. Besides, we also should regard the increase of peasants' and herdsmen's income as the major objective, successfully carry out the reform of the circulation system of agricultural capital goods, reduce the burden of peasants and herdsmen through many ways, and ensure that the average per capita income of peasants and herdsmen will increase by 100 yuan. The areas struck by serious disasters should regard calamity relief work as its work priority, organize the masses of the disastrous areas to actively provide for and help themselves by engaging in production, tap new resources of increasing harvest yield by every possible means, strive to reduce the losses caused by the calamity to the least extent, and make achievements in reducing the losses caused by disaster and increasing harvest yield.

We should guarantee that the masses in the disaster-struck areas have enough food to eat, enough clothes to wear, have houses to live and have enough livestock in these areas to safely tide over this year's autumn and winter.

We should deepen the reform of enterprises, strengthen the internal management of enterprises, and relentlessly carry out the work of ending deficits and increasing profits. We must regard the work of ending deficits and increasing profits as a major issue of economic work in the next few months and conscientiously carry it out because whether we can make achievements in the work has a bearing not only on the accomplishment of this year's industrial production task, but also on the improvement of the financial situation and on the immediate interests of the staffs and workers of enterprises. Hence, the fundamental method for reversing the present situation of the low efficiency of enterprises is to find out outlets and ways in the course of reform and solve problems through reform.

We should further strengthen the market and price management and check inflation. We should further enhance recognition and, at the high plane of safeguarding the general tasks of the whole party, recognize the importance and urgency of checking inflation and keeping commodity prices basically stable. Specifically under the present situation that the range of price rise tends upward, we should regard the strengthening of price management and the checking of inflation as a major issue of the economic work for some time to come and as a primary task of macroeconomic regulation and control, and realistically carry them out.

We should continuously reduce the investment scale of the fixed assets and strictly control the newly-begun projects. We should conscientiously implement the state's relevant policy on strengthening macroeconomic regulation and control and strictly control the investment scale of infrastructure facilities. The scale of investments and loans of the fixed assets should be strictly carried out in line with the plan. In the last four months of this year, except for the projects of the three types of foreign-funded enterprises, the private enterprises, and the jointly imported items, the autonomous region, and all leagues, cities, banners, and counties will not be allowed to start new projects in their localities.

We should do a good job in the financial taxation work, strengthen the tax levy and management, and strive to broaden the sources of income and reduce expenditures. On one hand, we should broaden the ideas of managing financial matters, conserve the old financial resources, tap the new financial resources, particularly, strengthen the levying and management of tax, and collect the lost and scattered financial funds by every possible means. On the other hand, we should do a good job in reducing expenditure and reduce all unnecessary expenditures. The governments at all levels should further foster the idea of leading a frugal life, and energetically encourage

the good habit of struggling arduously and engaging in all undertakings through thrift and hard work. The financial departments of the autonomous region and all leagues and cities should help the banners and counties in shortage of money carry out the policy of wage reform. Those who still cannot carry the policy out after efforts have been made should give explanation and solve the issue step by step after the local financial situation takes a favorable turn.

We should firmly grasp the reform of organs and strive to accomplish the task as soon as possible. The focal point in the reform of organs is to change government functions, and the most difficult part of this is personnel transfer. It is a long-term task to change government functions, hence, the issue will be solved step by step along with the accomplishment of the reform of the organs and the improvements in the relationships. The crux at present is to solve the issue of properly arranging the personnel transfer. All districts should proceed from the reality, study and establish workable and attractive policies and measures, and guide the cadres, staffs, and workers of organizations and institutions to actively develop their ability and to make achievements in the main battlefield of economic construction.

We should further strengthen the education on national unity and do a good job in the work on nationalities. We should deeply develop the education on national theory, the policy towards nationalities, and the big unity of various nationalities, further propagate and implement the "law of regional autonomy for minority nationalities," and enhance the consciousness of cadres and masses of various nationalities on safeguarding national unity. We should fully use the rights vested by the law on autonomy, study and make good use of the present policies, and promote reform, opening up, and the modernization drive.

We should continuously do a good job in various works of safeguarding stability. We should implement the various measures for the comprehensive management of public security and order in places where needed. We should pay great attention to the handling of the internal contradictions among people, handle the current hot issues in society well, resolve the contradictions, and ensure long-term social stability.

We should do a good job in the party's construction, strengthen the party's leadership, and give full play to the role of the party organizations at all levels as the leading core in the course of reform and construction. To strengthen the party's leadership, we should act in connection with the preparations of the sixth party congress of the autonomous region, proceed from solving the current major issues, and realistically carry out the three main points of upholding and perfecting democratic centralism, improving and strengthening the construction of the party's grass-roots organizations, and building the contingents of cadres.

Liu Mingzu also made specific suggestions for doing a good job in the preparations of the sixth party congress.

He said: At present, meticulously doing a good job in various preparations before the convening of the congress is an important task of the party organizations at all levels across the autonomous region. The Party Central Committee not only places ardent expectations on us, but also cares extremely about the people of all nationalities. Therefore, we should concentrate our efforts, work with redoubled efforts, and firmly and solidly carry out various preparations in an effort to ensure that this congress will be one of enhancing spirit, strengthening unity, and accelerating development.

He hoped that all communist party members would place the basic interests of the party and the people of various nationalities, the common prosperity and improvement of various nationalities, and the solidarity and unity of the party above everything else, and make due contributions to the successful convocation of the sixth party congress of the autonomous region with concrete deeds.

Northwest Region

Newsletter on Gansu's Efforts in Education

OW0510143394 Beijing XINHUA Domestic Service in Chinese 2111 GMT 2 Oct 94

[("Newsletter" by ZHONGGUO JIAOYU BAO (CHINA EDUCATION NEWS) reporter Li Jinchi (2621 6855 3069) and XINHUA reporter Yin Hongzhu (1438 7703 4376)])

[FBIS Translated Text] Lanzhou, 3 Oct (XINHUA)—When these reporters, accompanying the "two basic educational tasks" supervision group of the State Education Commission on an inspection tour, arrived in Gansu this fall, the Gansu people were accelerating the attainment of the objective of basically making the nine-year compulsory education universal and basically wiping out illiteracy among young people. The development of education has made the 23.45 million people have hopes for Gansu's rejuvenation and prosperity.

Gansu is one of China's very poor provinces. The economic foundation has been weak and culture and education have been backward here for a long time. To wipe out poverty, it is necessary first to wipe out illiteracy. For this reason, radical measures to overcome poverty in Gansu are to accelerate the development of basic education and the pace of making the nine-year compulsory education universal, wiping out illiteracy, and raise the people's educational level. During the many years of practice, the party committees and governments at all levels have gradually gained a profound understanding of the strategy of giving high priority to education. In light of Gansu's reality, the provincial party committee and government first laid down a guiding principle of "developing Gansu through the application of science and technology and the promotion of education." Later, they put basic education on the daily agenda as the "most important item." These

reporters learned during our coverage of Wuwei, Zhangye, Jiuquan, and Jiayuguan that the importance of education has become a common understanding among the leaders at various levels and the people. The Gansu people's determination to develop Gansu through the promotion of education is shown in such slogans as: "we must not neglect education nor our children no matter how poor we are or how difficult things are"; "to develop the economy, it is necessary to first develop education"; and "donations to education benefit future generations."

The governments at various levels, as the main providers, have invested more and more money in education yearly. In 1993, Gansu's fund for basic education was 895 million yuan, or 2.9 times that of 1985; and the per-student fund for elementary and middle schools rose 200 percent in the eight years. In recent years, the provincial government has spent yearly more than 10 million yuan on repairing elementary and middle school buildings, 5 million yuan on building teachers' housing, and 1.2 million yuan on accelerating the pace of making the nine-year compulsory education universal and wiping out illiteracy.

The broad masses of the people are enthusiastically contributing to education. Their donations exceeded 330 million yuan during the 1986-93 period. Some enterprises donated kerosene to literacy classes for illumination. Some villagers donated the money from selling their egg-laying hens. Some young women donated the money from selling their long hair.

In recent years, the provincial party committee and government have promulgated more than 20 rules and regulations concerning the two basic educational tasks. The rules and regulations are an effective guarantee for rapid progress of the province's two basic educational tasks. The collection of the education surcharge in urban and rural areas has yielded an additional 104 million yuan for education. With increasing income from donations, the provincial authorities have invested 1.473 billion yuan in improving the conditions of some middle and elementary schools. The improved teachers' training facilities enable the province to train more than 3,000 teachers of various levels each year. The up-to-standard rate of elementary and junior middle school teachers has been raised. As a result of better management of education, schools in various localities have made progress in eliminating unsafe school buildings and improving facilities and school administration. Schools with gardens and recreational facilities on campus can be found everywhere. Basic education is shifting its purpose from making students enter higher school to providing an education of good quality. While the emphasis of education is put on rural areas, more educational funds are allocated to old revolutionary base areas, minority nationalities regions, border areas, and poor regions. In the old revolutionary base area in Qingshui alone, some 1,500 elementary schools have moved to new buildings from hillside caves. In minority nationalities regions,

some boarding schools have been set up, offering diverse forms of schooling; and 86 percent of school-age children are attending schools.

At present, 54 counties (cities, districts) in Gansu have made six-year compulsory education universal and 14 counties (cities, districts) have made nine-year compulsory education universal. More than 95.7 percent of school-age children are attending schools. The schooling for school-age girls used to be a long-standing tough problem; now, 93 percent of them are attending schools. The illiteracy rate among young people has dropped from 41 percent in 1988 to 18.6 percent in 1993. Illiteracy has been basically wiped out in 38 counties (cities, districts) in the province.

While these reporters will end our visit to Gansu soon, we have learned that a provincial educational work conference will be held in the near future to further implement the "program for China's educational reform and development." The provincial party committee and government have formulated opinions on adopting special policies to accelerate educational reform and development. It can be anticipated that a "foundation-laying project" for education of good prospects will add vitality to Gansu and bring to the people on the loess land a hope of becoming fairly well-off.

Qinghai Develops Domestic, Foreign Trade

HK0610103694 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 30 Sep 94

[FBIS Translated Text] In the past 45 years, and especially since the Third Plenary Session of the 11th CPC Central Committee, Qinghai's domestic and foreign trade have developed vigorously. Before liberation, the developmental level of Qinghai's productive forces was very low, and trade was in an extremely backward condition. Through 45 years of development, commodity circulation has become active throughout the province, and the markets have become brisk. In 1993, the total volume of retail sales in the province reached 4.27 billion yuan, multiplying the 1949 figure 121 times. The number of commercial institutions in the province increased to more than 61,000, multiplying the 1949 figure 1.6 times.

Through 45 years of development, exports and foreign exchange income from exports increased by a wide margin, and the structure of export commodities was improved. In 1993, the value of exports throughout the province exceeded \$101 million, increasing 132.5 times that in 1949. The average annual rate of increase was 38.6 percent. The total volume of imports exceeded \$22 million, increasing by 130 percent over that 1978. The main export commodities changed from mineral and textile products in 1978 to animal products, grain, food-stuffs, native products, and chemical products at present.

Shaanxi Family Planning Regulations

HK0410121094 Xian SHAANXI RIBAO in Chinese 10 Aug 94 p 2

[“Regulations on Taking Party or Administrative Disciplinary Measures Against Party Members, Cadres, Staff Members, and Workers in Party and Government Organs, Enterprises, and Establishments Who Violate Policies, Laws, and Regulations on Family Planning—Issued by the Shaanxi Provincial CPC Committee and the Shaanxi Provincial People’s Government on 18 April 1994]

[FBIS Translated Text] **Article One:** These regulations are specially formulated in accordance with the relevant party and state policies, laws, and regulations to ensure the implementation of the state’s basic policy on family planning.

Article Two: These regulations are applicable to cadres and staff (including contract employees) of party and government organs at all levels, and of enterprises (state-owned enterprises and town and township enterprises under collective ownership) and establishments throughout the province. Those who violate the policies, laws, and regulations on family planning will be punished with economic penalties in accordance with the “Shaanxi Provincial Regulations on Family Planning.” In addition, corresponding administrative and disciplinary punishments will be inflicted on them, while corresponding party disciplinary punishments will be inflicted simultaneously on those who are party members. Those whose actions constitute a crime will be dealt with by the judicial departments according to the law.

Article Three: Those who are lawfully married, but have given birth to a child without a birth permit, or those who meet the required conditions for having a second child, but have given birth to it before the end of the required waiting period, will be given administrative warnings, and those who are party members also will be given a disciplinary warning within the party.

Article Four: Those who have given birth to a second child in violation of the regulations on family planning will be kept in their administrative posts, but placed under surveillance as punishment, and those who are party members also will be placed on probation within the party or expelled.

Whoever gives birth to a third child in violation of the regulations on family planning will be dismissed from employment as punishment, and those who are party members also will be expelled from the party.

Article Five: Whoever has children, but adopts and fosters a child in violation of the regulations, or who gives his own child up for adoption or fostering, but gives birth to another, will be dealt with in accordance with Article Four of these regulations.

Article Six: Whoever instigates his relations, children, or others to give birth to a child in excess of plan, covers

them up, transfers or hides a woman who becomes pregnant outside of plan and gives birth to a child in excess of plan, will be reduced to a lower administrative rank or dismissed from his post. If he is a party member, he also will be given a serious warning with the party or dismissed from his party post.

Article Seven: Whoever has committed infanticide or abandonment of an infant will be dismissed from employment as punishment; those who are party members also will be expelled from the party.

Whoever mistreats an infant girl, or a mother who has given birth to a infant girl, will be given punishment ranging demotion to a lower administrative rank to dismissal; those who are party members also will be given punishment ranging from serious warning within the party to expulsion.

Those who fail to report the birth of a child and give a clear account of its whereabouts will be treated as those who have committed infanticide or infant abandonment.

Article Eight: Those staff members of state organs responsible for issuing marriage certificates who issue marriage certificates in violation of the legal provisions, and those medical workers in medical establishments and those personnel in family planning technical service institutions who issue false certificates of diagnosis to people subject to family planning, who perform false surgeries (such as false induced labor, false vasoligation, and false placement of intrauterine devices), or who take advantage of conveniences offered by their posts or their work to illegally perform abortions, remove intrauterine devices, or reconnect oviducts (spermatic ducts), will be kept in their administrative posts, but placed under surveillance as punishment. Those who are party members also will be placed on probation within the party or expelled.

Article Nine: Those personnel working for the state family planning program who illegally issue birth permits for a second child and who cause births in excess of plan will be given punishments ranging from receiving a demerit to dismissal from employment; those who are party members will be given punishments ranging from serious warnings within the party to expulsion.

Article 10: Those who reject and obstruct the official business carried out by family planning work personnel will be given an administrative warning or demoted to a lower rank if the case is quite serious; those who are party members also will be given a warning or serious warning within the party.

Those who insult, beat up, or slander family planning personnel and their families; damage their personal belongings; or retaliate by fabricating rumors to mislead people and stir up trouble, will be given punishments ranging from demotion to a lower administrative rank to dismissal from employment if the case is serious; those

who are party members also will be given punishments ranging from serious warnings within the party to expulsion.

Article 11: Those who practice fraud, make false reports, falsify statistics, alter original family planning cards and books, neglect their responsibilities, or let things drift, thus causing serious excess births, will be demoted to a lower administrative rank or dismissed from their posts; those who are party members also will be given serious warnings within the party or dismissed from their party posts.

Article 12: Those who take advantage of their work or posts to engage in the illegal activities of determining the sex of fetuses will be given punishments ranging from receiving a demerit to dismissal from their posts; those who are party members also will be given punishments ranging from serious warnings within the party to dismissal from their party posts.

Whoever uses fetus sex determination to take bribes or cause serious consequences will be dismissed from employment; those who are party members will also be expelled.

Article 13: Those who violate the criminal law as a result of sabotaging family planning, and whose actions have constituted crimes, will—without exception—be expelled from administrative employment; those who are party members also will be expelled.

Article 14: Decisions on party and administrative disciplinary punishments as laid down in these regulations are to be made by the disciplinary inspection and supervision organs that have jurisdiction, and by the relevant departments and units in accordance with stipulated proceedings.

Article 15: From now on, these regulations are to be taken as the criteria if those regulations worked out by various localities and departments in the past are inconsistent with these. Those cases that were handled before the promulgation of these regulations will not be dealt with again; those that have not been handled will be dealt with on their merits.

Article 16: The Discipline Inspection Commission of the Shaanxi Provincial CPC Committee, and the Shaanxi Provincial Supervisory Department and Family Planning Commission are responsible for the explanation of these regulations.

Article 17: These regulations take effect on the date of their promulgation.

Xinjiang's Ethnic Groups Build Border Trade

OW0410141294 Beijing XINHUA Domestic Service in Chinese 2126 GMT 27 Sep 94

[By reporter Chen Guojun (7115 0948 6511)]

[FBIS Translated Text] Urumqi, 28 Sep (XINHUA)—The old Gobi Desert has become a vast stretch of excellent farmland where rich water resources and grass are feeding a large number of cattle and sheep. There are many new factory buildings, new houses, and new commercial office buildings there; and the region is linked with other parts of the world through telecommunications, roads, and border towns. An unprecedented upsurge of construction and development exists everywhere in the five autonomous prefectures of minority nationalities in the Xinjiang Uygur Autonomous Region.

Four of the five autonomous prefectures in Xinjiang are located in the frontier region. Most of them are lofty mountainous regions with densely grown grasslands. Some are desert lands with water shortages, where the natural conditions are poor and the people's living standards are relatively low.

Today, all 16 border counties (cities) in Ili Kazak Autonomous Prefecture have been given border trade authority, and eight border towns there have been opened to the outside world. Such border towns as Huoerguosi, Baketu, and Jeminay are bustling with a great deal of activity and heavy traffic. Yining and Tacheng became open border cities in 1992 with State Council approval, and border economic cooperation zones have been established there since. Kuytun city, known as China's star city in 1993, has achieved spectacular economic growth at an annual rate of more than 20 percent in the last 10 years. In 1993, Ili Kazak Autonomous Prefecture received 156,000 foreign tourists and shoppers and earned more than \$5.1 million in foreign exchange; and the border trade volume amounted to 132 million yuan, yielding more than \$8 million in foreign exchange earning. In this year, the State Nationalities Affairs and State Economic Restructuring Commissions have designated Ili Prefecture an experimental open region of minority nationalities. Ili Prefecture used to be called a golden granary. However, after 40 years of development, its industry-agriculture ratio has risen from 1:9 to 45:55. Its industrial output value of three days now is equal to its annual industrial output value 40 years ago.

Other autonomous prefectures of ethnic minority people in Xinjiang have also undergone fundamental economic and social changes. With the support of the state and departments concerned in Xinjiang, the five autonomous prefectures of minority nationalities have invested a large amount of funds in transport, energy, telecommunications, and other infrastructural construction; and have kept improving their investment environment. At present, the total gross product of the five prefectures amounted to 11.598 billion yuan, accounting for one fourth of Xinjiang's gross product and more than quadrupling their own 1978 total; and the net per capita income in the five prefectures today is nearly 10 times that of 1978. In the autonomous prefectures of minority nationalities in Xinjiang, modern factories can be seen

everywhere, highways crisscross railroads, all villages are accessible to motor vehicles, and all rural families have electric lights. The dream of "illuminating without fuel, plowing without oxen, and herding sheep and cattle without walking" has come true.

Today, the people of minority nationalities in the Xinjiang five prefectures are seizing the opportunity of development and reform to make their homes even richer. Bayingolin Mongol Autonomous Prefecture is taking the opportunity of petroleum exploitation in Tarim to promote its economic development. Its capital, Korla, with more than 300

Chinese and foreign business offices, has become an important materials distributing center and trading center in southern Xinjiang. With the development of petroleum resources in Tarim, Korla—a major city in the petroleum exploitation zone—is becoming a petrochemical industry city. Changji Prefecture, a pearl on the ancient northern Silk Road, has achieved economic growth at an annual average rate of 11.7 percent since 1980, and has attained its objective of raising the rural net per capita income to 2,000 yuan. The people of Kirgiz nationality who have been living on the plateau for generations are trying to make a breakthrough in economic development by developing border trade and tourism.

Council, Taiwan Group Discuss Cross-Strait Ties

OW0410151194 Beijing XINHUA Domestic Service in Chinese 1525 GMT 29 Sep 94

[By reporter Liu Shizhong (0491 0670 1813)]

[FBIS Translated Text] Beijing, 29 Sep (XINHUA)—The China Council for Promoting Peaceful Reunification [CCPPR] invited members of a visiting Taiwan delegation of renowned figures to hold a discussion in Beijing today on ways to develop cross-strait relations and to facilitate the motherland's peaceful reunification.

Qian Weichang, executive CCPPR president and vice chairman of the Chinese People's Political Consultative Conference [CPPCC], said at the meeting: Because of prolonged separation, both sides of the strait have many misunderstandings. Therefore, we have to increase mutual exchanges and communication, eradicate misunderstandings, and seek common ground on major issues while preserving minor differences so as to reach mutual understanding and to facilitate the motherland's peaceful reunification.

Qian Weichang said: The motherland has witnessed remarkable changes and rapid economic progress in the past 45 years since the PRC's founding. So long as the Chinese people are united, they can definitely stand tall among other peoples of the world.

Wu Shimo [0702 1102 6206], visiting vice chairman of Taiwan's Alliance for China's Reunification [tai wan zhong guo tong yi lian meng (0669 3494 0022 0948 4827 0001 5114 4145)], said at the meeting: At present, both favorable and unfavorable factors exist for developing cross-strait relations. While quoting some figures in recent years to illustrate the inseparable cross-strait economic relations and trade, he also criticized the Taiwan authorities for staging various obstacles against reunification. He believes the Taiwan authorities' resistance is the most important factor obstructing a breakthrough in cross-strait relations.

The CCPPR and Taiwan guests also exchanged views on issues of common concern.

Seventeen CCPPR members, including Wan Guoquan, CCPPR president and CPPCC vice chairman; CCPPR Standing Committee directors; and CCPPR directors attended the meeting.

It has been learned that the 15-member Taiwan delegation of renowned figures arrived in Beijing on 28 September and would carry out a 10-day tour of Beijing, Shanghai, and Nanjing.

Article Criticizes Taiwan's Stance on Asian Games

HK0510135894 Beijing LIAOWANG in Chinese 26 Sep 94 pp 6-8

[Article by staff Reporter: "Lifting a Rock Only to Drop it on One's Feet—Notes on Bankruptcy of Li Teng-hui's 'Asian Games Trap'"]

[FBIS Translated Text] A few days ago, the president of the Olympic Council of Asia (OCA) issued a statement: Other than political figures of the host country, no other political figures will be invited to the Hiroshima Asian Games. Foreign news agencies immediately pointed out that the OCA statement had actually canceled its earlier invitation to Li Teng-hui to the Asian Games.

This foiled the Taiwan authorities' meticulous attempt to enable Li to "edge himself into" the games.

Chinese people usually describe a fool's actions as "lifting a rock only to drop it on one's own feet." Is that not an apt description of everything the Taiwan authorities have done over the last few months?

Shadow Over the Asian Games

The Asian Games, which is held once every four years, is a sporting extravaganza for athletes from Asian countries. The 12th Asian Games will be held in Hiroshima from 2 to 16 October. A total of 42 countries and regions have signed up for the games and a record 7,300 athletes will compete.

At this juncture, however, an ominous shadow moved toward Hiroshima.

Japan's KYODO news agency said in mid-August that the OCA, the sponsor of the 12th Asian Games, had invited Li Teng-hui to attend the Hiroshima Games as a guest. Some figures responsible for Japanese-Taiwan relations confirmed the report, saying the invitation had been extended to Li through the Chinese Taipei Olympic Committee in the personal name of OCA Chairman Sheikh al-Ahmed Fahad.

According to foreign news agencies, with the Chinese Taipei Olympic Committee "acting as a go between," the Taiwan authorities decided in March and April this year to send Li "to the opening ceremony of the Asian Games."

The international media burst into uproar when the news emerged that Li had been invited to attend the Asian Games.

In line with the consistent stand of the Chinese Government and the Chinese people, the Chinese side expressed firm opposition to the invitation.

AGENCE FRANCE PRESSE (AFP) said on 19 August that "the Chinese Government had warned if Li was allowed to attend Asia's most magnificent sports meet to be held in Hiroshima in October, a political storm was inevitable."

The Hiroshima authorities and the Japanese Government, which had spent hundreds of millions of U.S. dollars preparing the games, were also worried that Li's visit would lead to a political storm, and hoped the games would not be affected by political disputes.

Immediately after that, AFP reported that OCA Chairman Fahad said in Kuwait that "I bitterly regret that sports should have turned into a political issue."

Such being the case, the Japanese Government was compelled to make known its position. Japanese Foreign Affairs Minister Tsutomu Hata clearly said at the Audit Committee of the House of Councillors 24 August: "It is difficult for Li to visit Japan; in light of the guidelines laid down in the Sino-Japanese declaration, the relations between the Japanese and Taiwan people are important. Where government-to-government contacts are concerned, however, there is certainly only one China we should have contacts with." He also said: "We must be extremely cautious about political involvement in sports. In my view, the Asian Games should be held with the blessing of all sides."

Since 1982, China has been the most outstanding sporting country in Asia. The Asian Games would hardly be worthy of the name in the absence of Chinese athletes. The OCA, the organizing committee for the Asian Games, and people in various sectors are well aware of this. What matters is whether the Japanese Government grants Li an entry visa.

As the public were puzzled by specious reports, the Taiwan side showed their "hand." Taiwan's CHUNGKUO SHIHPAO carried a dispatch from Japan 2 September quoting Lin Ming-chin, Taiwan's representative in Japan, definitely claiming: "Li will attend the Asian Games by invitation."

The CHUNGKUO SHIHPAO ran a report again 4 September to the following effect: "Executive Yuan President Lien Chan made known the government's position on this matter at a Kuomintang seminar on the party's political operation yesterday, saying that, after giving consideration to the situation in various aspects, the Executive Yuan had suggested that President Li attend the Asian Games as head of state."

No remarks could be made in a more blatant manner than attending the Asian Games "as head of state." The Taiwan authorities, which had jumped on to the stage, believed they could fulfill their sinister intention of creating "two China's" or "one China, one Taiwan." But while they were very pleased with themselves, reality gave them a negative reply.

International Community Said "No" to Taiwan

On 6 September, Japanese Prime Minister Murayama said that Li would have great difficulty attending the Asian Games. He said: "We will closely follow developments, but that would be difficult." He stressed: "We have to take into account the agreements we signed with China before."

Foreign news agencies passed on more and more clear messages. Japan's JIJI reported first that OCA Chairman Fahad had hinted that the invitation to Li might be withdrawn. After meeting with Chinese, Taiwan, and

Japanese members of the International Olympic Committee in Paris on 5 September, Fahad told the OCA: "The most important thing to do is to make the Asian Games a success. I am willing to solve the problem according to the principle of making the Asian Games successful."

On 7 September, various Japanese television stations and major newspapers carried the headline news that the OCA had formally told Li to give up attending the Asian Games.

After finding that their "fond dream" could hardly come true, some senior Taiwan political figures hurriedly came out into the open to offer encouragement. Taiwan Executive Yuan President Lien Chan said in Taipei that to make Li's trip to Japan more acceptable, he would send "Executive Yuan Vice President" Hsu Li-te and "Education Minister" Kuo Wei-fan to accompany the Taiwan sports delegation to Hiroshima.

Chang Feng-hsu, chairman of the Chinese Taipei Olympic Committee, threatened: "If the invitation to Li is withdrawn, Taiwan will boycott the Asian Games." He said that this was like "combating poison with poison." Chen Kuo-yi, vice chairman of the Chinese Taipei Olympic Committee spoke in a much lower tone, saying: "If the OCA withdrew its invitation to Li, the possibility of Taiwan boycotting the Asian Games could not be ruled out."

Shamed into anger, the Taiwan authorities resorted to the tactics of ignoring the facts. On 7 September, a spokesman for the Taiwan "Foreign Affairs Ministry" said that Taiwan had notified the Japanese Government that Li had received the OCA's invitation and had decided to attend the opening ceremony of the Hiroshima Games. He added that Li had received the OCA's invitation and that he could go to Japan with the invitation letter without the Japanese Government's approval.

In an interview with Araka Yanai, chairman of the Japan Exchange Association Taiwan Office that very day, Taiwan "Foreign Affairs Minister" Chien Fu told him that Li would go to Japan to attend the Asian Games by special plane and would stay there from 1 to 6 October, adding that Japan had no right to prohibit Li from attending the Asian Games.

Chang Feng-hsu deceived himself as well as others by "announcing" that he had learnt from a telephone conversation with (Mutrabu), general secretary of the OCA, who is a Kuwaiti, that the OCA had not recalled its invitation to Li. He, fuming with rage, accused the Japanese media of publishing an "utterly unfounded report" that "the OCA had canceled its invitation to Li."

Of course, the most important response came from China. On 6 September, Japan's KYODO News Agency quoted Wei Jizhong, secretary general of the Chinese Olympic Committee, as saying: "No political figures

from Taiwan are allowed to attend the Asian Games. This is a matter of principle. No principles can be compromised through dialogue."

On 7 September, KYODO reported that through talks with the Japanese Government and leaders of the ruling party on many occasions, the Chinese side stressed once again: "Allowing Li to visit Japan amounts to acknowledging two China's." If the Japanese Government allowed Li's entry, it would greatly endanger Sino-Japanese relations, the Chinese side added. Chinese Foreign Ministry spokesman Shen Guofang also said 8 September that if Japan did not hope for a retrogression in Sino-Japanese relations, it should not allow Li to attend the Hiroshima Games scheduled for next month.

When the Taiwan authorities' political attempt was unanimously criticized by the international community, a handful of people in Japan tried to "cheer them up." According to some foreign news agencies, former Japanese justice minister Hatano paid a visit to Taipei 9 September. He expressed support for Li attending the Asian Games. He said he came to Taiwan to tell Li that "most Japanese people welcomed his visit."

In Tokyo, a pro-Taiwan association comprising diet members from the Liberal Democratic Party (LDP) initiated a publicity campaign in support of Li's presence at the Hiroshima Asian Games. They also asserted that they would organize a signature campaign within the LDP for the same purpose.

Encouraged by the clamor made by a few people in Japan, the Taiwan authorities launched another verbal offensive. Chang Feng-hsu went so far as to say in Taipei on 9 September that Beijing was unlikely to boycott the Asian Games due to Li's visit to Japan, because "an Asian Games torch-lighting ceremony had been held in Beijing on 7 September, when Taiwan said Li would visit Japan. If Beijing had been determined to boycott the games, the ceremony would not have been held."

Many people overseas have not understood so far why the Taiwan authorities tried to "find their way into" the Asian Games at any cost. Many commentaries in the Japanese media gave a pertinent answer to this question. ASAHI SHIMBUN said "Taiwan tried to make its presence more clearly felt in the international community by making an open statement that Li would visit Japan." "For Li, whose toughest task is to restore Taiwan's international standing, if his attempt to visit Japan proved successful, he would make a major breakthrough; if not, it would seem that the Japanese Government 'owed him a debt,' which would create favorable conditions for his next chance." The newspaper added: "Li seemed to indicate a display of the intention of attending the Asian Games had done a lot toward helping people understand Taiwan's international status."

KYODO's commentary said: "It is safe to say that Li's decision to attend the opening ceremony of the

Hiroshima Asian Games, like his visits to the Philippines, Indonesia, and Thailand, with whom Taiwan has no diplomatic ties, during the Spring festival period in February this year to carry out 'vacation diplomacy,' is another round in a diplomatic offensive."

In addition, the Japanese media noted that it was at this time that the U.S. Government published a "new Taiwan policy" designed to strengthen its economic exchanges with Taiwan. "It is not difficult to discern, from this background, the U.S. design to destabilize Taiwan's relations with surrounding countries and regions by getting Japan into hot water."

Drawing Water With a Bamboo Basket

Though Taiwan ran up against a stone wall everywhere, the OCA did not recall its invitation to Li even after stalling for a long time.

When the matter seemed to be in a state of confusion, a sharp change came on 12 September.

On that day, the Chinese Olympic Committee received Prince al-Ahmad's statement, which said: "In line with the genuine and strongest wish to maintain the solidarity of the big Olympic family of Asia and sports and to ensure the success of the Hiroshima Asian Games so that the games really give expression to world peace and harmony in Asia, the OCA, after consulting with the leaders of international sporting organizations and leaders of the big OCA family has decided that other than political figures of the host country, no other political figures will be invited to attend the 12th Asian Games to be held in Hiroshima from 2 to 16 October."

The well-informed REUTERS immediately said in a commentary that the statement amounted to a withdrawal of the invitation extended to Li earlier.

Fahad's statement met an agreeable response in the international community.

The Japanese Government first welcomed the decision made by the OCA on 12 September. Japanese Prime Minister Murayama told reporters: "I have never heard any news about this decision, but I do not oppose this decision in any way. I believe this is a good decision."

Members of the Hiroshima organizing committee expressed their state of mind after learning the decision by using the expression of "heaving a big sigh of relief." A spokesman for the organizing committee said: "We would breathe a sigh if the OCA's decision could bring a peaceful solution to the problem of Li attending the opening ceremony of the Asian Games."

No other people could have been more despondent than the Taiwan authorities. On 12 September, after the OCA made known its decision, Li made an immediate response. Wearing a helpless expression, Li said that the OCA's decision got Taiwan into a bad fix. A spokesman for the Taiwan Foreign Affairs Ministry said: "We will not make any comment on the latest development of the

situation. The only thing for us to do is to notify Japan that Li has accepted the invitation and is ready to attend the opening ceremony."

Several days later, the Taiwan side spread word that Li had not given up his plan to "visit Japan" and that he would visit Japan in whatever capacity ranging from "honorary chief of the Taiwan sports team" to "adviser," "alumnus," and even as a "visitor."

On 12 September, after the OCA chairman published a statement and withdrew his invitation to Li, the Taiwan authorities, which were too impatient to wait, decided that Hsu Li-te, vice president of the Executive Yuan would "edge himself" into the Asian Games as a lobbyist bidding for "the 2002 Asian Games."

As everybody knows, Li and Hsu are high-ranking Taiwan officials. They have tried in every way to

"edgethemselfes" into the Asian Games in a bid to create "two China's" or "one China, one Taiwan," thus expanding their "maneuvering space" in the international arena and undermining the great cause of peaceful reunification rather than "to go sightseeing" or "watch matches." If the Japanese Government ignores the solemn and just stand of the Chinese Government and people and refuses to deny Hsu entry, it would in fact create "two China's" or "one China, one Taiwan" and would take the consequences.

The tendency of the day allows no separation. The Taiwan authorities have gone against the historical trend, so they will end up with nothing as if drawing water with a bamboo basket. They will lift a rock only to drop it on their own feet.

Vice Premier Meets Japanese Diet Members
*OW0610073894 Taipei CNA in English 0652 GMT
6 Oct 94*

[By Victor Lai]

[FBIS Transcribed Text] Tokyo, Oct. 5 (CNA)—Vice Premier Hsu Li-te met with several Japanese Diet members in Tokyo on Wednesday [5 October] to exchange views on a broad range of issues.

In the morning, Hsu held talks with former Labor Minister Masakuni Murakami, former Justice Minister Akira Hatano and upper house member Motoo Shiina.

After the talks, Shiina told the Japanese press of his meeting with Hsu. He said president Li Teng-hui had hoped to visit Japan, but that plan was aborted because of Beijing's opposition.

He said Hsu is his friend and thus he went to see him. Shiina criticized Beijing's ceaseless protest over Hsu's visit, saying that Mainland China should act like a mature nation.

On Wednesday Hsu also made an inspection trip to the Taipei Economic and Cultural Representative Office in Japan, attended a luncheon given by the Japan Interchange Association and chatted with Chinese reporters stationed in Tokyo.

The dietmen's Council for Japan-Republic of China [ROC] relations inside the Liberal Democratic Party gave a dinner party in honor of Hsu Wednesday night. Six senior Diet members were present at the party, including former Education Minister Masayuki Fujio, former Transport Minister Shinji Sato, former Labor Minister Masakuni Murakami and Sadanori Yamanaka, former director-general of the Japan Defense Agency.

On Thursday, his last day in Japan, Hsu is scheduled to visit the Makuhari Messe Convention Center in suburban Tokyo in the morning and attend a lunch party hosted by overseas Chinese groups in Japan. He will fly back to Taipei by China Airlines in the evening.

Because of the protest by Beijing over Hsu's Japan trip, Hsu's activities had been reported daily by the Japanese news media. He told the Chinese press Wednesday that he was disappointed over how the Chinese communists handled the matter.

President Speaks at U.S.-Sponsored Business Forum

*OW0610091694 Taipei CNA in English 0724 GMT
6 Oct 94*

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Oct. 6 (CNA)—President Li Teng-hui said Thursday [6 October] that the

Republic of China [ROC], after becoming an Asia-Pacific business operations center, will have a positive impact on the development of the region.

To achieve the goal, Li pointed out, the government and the private sector have been working together on the establishment of relevant facilities.

Moreover, the Republic of China is taking a comprehensive strategy to promote overseas economic activities, including various investment plans abroad, he noted.

The president made the remarks while meeting with James R. Quandt, chairman of the McGraw-Hill Group of the United States, and Barbara A. Munder, senior vice chairwoman of the group.

McGraw-Hill is the parent company of BUSINESS WEEK magazine, a New York-based weekly business publication. The fifth Asia Chief Executive Forum, sponsored by the magazine, opened in Taipei Wednesday [5 October] and will end Friday.

President Li will deliver a keynote speech in the evening on "Taiwan's new role and new [word indistinct] in Asia and the World" at the symposium to celebrate BUSINESS WEEK's 65th anniversary.

Saying it is the group's greatest honor to have President Li speak at the forum, Quandt pointed out that the political and economic achievements the Republic of China has made in recent years have won recognition from the people worldwide.

The Republic of China's experiences could serve as a good example for other countries to follow, he said.

The two guests were accompanied during the meeting by Vice Economic Affairs Minister Yang Shih-chien.

Fighter Planes 'Will Effectively Deter' Attack

*OW0610091394 Taipei CNA in English 0811 GMT
6 Oct 94*

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, Oct. 6 (CNA)—Taiwan's indigenous defensive fighters (IDF), equipped with the Sky Arrow II, a medium-range air-to-air missile, will effectively deter an attack by mainland Chinese fighter planes, a top air force official said Thursday [6 October].

Air force commander-in-chief Tang Fei described the Sky Arrow II, developed by the Chungshan Institute of Science and Technology, as an "outstanding" achievement.

Tang said that the development of the Sky Arrow II showed that Taiwan is capable of manufacturing sophisticated and high-performance medium-range air-to-air missiles.

Tang refused to answer a question on whether Taiwan will buy the advanced medium range air-to-air missile (AMRAAM) from the United States to mount on IDFs.

He only said that price and performance will be the major factors in purchasing weapons in the future.

Tang said that in the past, the international community has refused to sell weapons to Taiwan for political reasons. After the end of the Cold War, and the economic recession experienced by many nations, some nations have begun to change their mind and are willing to sell weapons to Taiwan.

Tang said he will not rule out buying missiles from the U.S. and France.

Tang added that after the inauguration of the IDF fleet at the end of the year, equipped with Sky Arrow II missiles, Taiwan will be able to effectively counter Mainland China's recently-purchased Sukhoi Su-27 fighters.

Tang also stressed that personnel training is as important as fighter plane performance, electronic fighting systems and radar.

Central African Republic Envoy Presents Credentials

*OW0610091494 Taipei CNA in English 0756 GMT
6 Oct 94*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Oct. 6 (CNA)—Guillaume Mokemat Kenguemba, new Central African Republic ambassador to the Republic of China [ROC], presented his credentials to President Li Teng-hui Thursday [6 October].

Li welcomed Mokemat's new assignment, saying he believes relations between the two countries will further strengthen through Mokemat's service.

Li told Mokemat that the ROC Government and people are ready to bid a warm welcome to Central African Republic President Ange Patasse and his wife who are scheduled to arrive in Taipei Friday for a six-day state visit.

Li also reaffirmed the ROC's determination to assist its allies, including the Central African Republic, in their economic development.

For his part, Mokemat said he will do his best during his tenure here to further boost cooperation between the ROC and his country.

Mokemat reassured President Li that his country will continue to support the ROC's bid to join the United Nations and other major international organizations. "We are also more than willing to help the ROC forge cooperative ties with other African countries," he added.

Foreign Affairs Minister Chien Fu and several other high-ranking ROC officials were also present at Mokemat's credentials-presentation ceremony.

Hong Kong

Reactions to Governor Patten's Policy Address

XINHUA Reports Address

OW0510135394 Beijing XINHUA in English 1328
GMT 5 Oct 94

[FBIS Transcribed Text] Hong Kong, October 5 (XINHUA)—Hong Kong Governor Chris Patten said today it would be insensible or unrealistic for his government to ban its officials from contacting the Preliminary Working Committee (PWC) of the Preparatory Committee of the future Special Administrative Region (SAR) of Hong Kong.

in his third annual policy address delivered at the Legislative Council here this afternoon, the governor said, "Hong Kong Government officials already provide information to Hong Kong members of the PWC. I very much hope that contacts will continue."

However, he said, "I do not believe it would be right for Hong Kong civil servants to attend formal meetings of the Preliminary Working Committee or its subgroups."

The governor pledged to cooperate with the Preparatory Committee of the SAR to be set up in 1996 in his policy address, "Hong Kong: A Thousand Days and Beyond", given at the start of the 1,000-day countdown to the transfer of Hong Kong's administration in June 30, 1997.

Forecasting that the fiscal reserves will be 120 billion HK dollars in real terms (15.4 billion U.S. dollars) at the end of 1996-97, Patten said, "The fiscal reserves, together with the exchange fund's assets, will of course be handed over in 1997," he said.

The governor revealed a government plan to spend about 30 billion HK dollars (3.8 billion U.S. dollars) over the next five years on creating the modern road system.

He also proposed a series of social welfare programs and other expenditures for the 1994/95 financial year, which represent great increase rates over previous ones. They include:

- 6.8 billion HK dollars (872 million U.S. dollars) on services for the elderly;
- 6 billion HK dollars (769 million U.S. dollars) on programs to help disabled people;
- 15.4 billion HK dollars (1.97 billion U.S. dollars) on housing programs, an increase of 400 percent in real terms more than those spent 10 years ago.
- 24 billion HK dollars (3.1 billion U.S. dollars) on education; and
- 1.7 billion HK dollars (218 million U.S. dollars) on the environment.

Factions Attack Patten Address

HK0610063294 Hong Kong HONGKONG STANDARD (GOVERNOR'S POLICY SPEECH SPECIAL) in English 6 Oct 94 p 1

[By Francis Moriarty, Laura Chan, and Moira Holden]

[FBIS Transcribed Text] If Governor Chris Patten's speech was intended to cast a ray of sunshine on to the frozen expanse of Sino-British relations, it has not worked. His address was immediately lambasted not only by pro-Beijing figures, but also by legislators on the prodemocracy wing.

The high-stakes diplomatic tussle also leaves Hong Kong once again in the role of the rope in a tug-of-war, pulled apart and powerless. That feeling was underscored by the release of a poll taken after the address showing barely half of those interviewed were satisfied with what Mr Patten had to say. The survey also showed a sharp drop in his personal popularity.

Almost immediately after delivering the speech, Mr Patten was once again dubbed a "Lipie violator" by the semi-official China News Service (CNS), while pro-China figures here and in Beijing also expressed disappointment. One member of the Beijing-appointed Preliminary Working Committee (PWC) called the speech an "insult".

The CNS dispatch accused Mr Patten of insisting on his electoral reforms, in spite of the decision by the Standing Committee of the National People's Congress to dismantle the system in 1997. The CNS comment also accused Mr Patten of trying to alter Hong Kong's legal and social systems, with the aim of passing the burden to the future Special Administrative Region government.

In his speech, Mr Patten estimated that reserves to be passed on to China could reach \$120 billion, plus the Exchange Fund monies. He said the government would prepare a list of its assets to be transferred to China and fully co-operate in passing them on.

Members of the PWC meeting in Beijing also took turns attacking Mr Patten. Chinese University professor Lau Siu-kai said the speech showed "the attitude towards the PWC has not basically changed".

He said Mr Patten's proposal to let PWC members join expert-level talks in the Sino-British Joint Liaison Group (JLG) was "just to protect the importance of the JLG, while indirectly the status of the PWC is to be depreciated".

Mr Patten fared little better in the legislature. Independent legislator Emily Lau said: "Hong Kong has been ruled by Britain for 150 years and now they have washed their hands of Hong Kong."

Liberal Party legislator, Lau Wah-sum charged "there is nothing in the speech" to increase Sino-British cooperation.

The governor got some support from independent legislator Jimmy McGregor. "The governor was clearly intending to hold out the olive branch to China in my view."

Meanwhile, the Social Science Research Centre at Hong Kong University last night released a survey showing 51.5 percent of people interviewed were satisfied with the policy speech, a sharp fall from last year's 72.3 percent. The survey also showed Mr Patten's personal approval rating down to 57.2 percent from 72.3 percent last year. About 35 percent of those surveyed expressed confidence in Hong Kong's future.

But Mr Patten said: "A lot of the reassurance has to come from PRC officials because we are not going to be here after 1997."

Party Calls Speech 'Disappointing'

HK0610071094 Hong Kong HONGKONG STANDARD (GOVERNOR'S POLICY SPEECH SPECIAL) in English 6 Oct 94 p 2

[By Ronald Arculli, vice-chairman of the Liberal Party]

[FBIS Transcribed Text] As the territory began its 1,000-day countdown to the transfer of sovereignty on 1 July, 1997, Governor Chris Patten delivered his third—and very disappointing—policy address yesterday.

Disappointing, because his long 90-minute speech failed to give us the assurance and answers we have long awaited as to how so many imminent and crucial transitional issues will be tackled and solved in the next 1,000 days, leading Hong Kong to a smooth transition.

Disappointing, because the governor did not even elaborate on any concrete and positive proposals to improve Sino-British relations, which is fundamental to the smooth progress of the work of the Joint Liaison Group. The deadlock in cooperation shows in a number of key transitional issues.

First, cooperation in infrastructural development. In his policy address last year, the governor made a commitment to talk to the Chinese authorities with a view to cooperating and exchanging information on road and rail links and major infrastructural projects in Hong Kong and Guangdong. This year, no account was made as to what discussions, if any, ever took place.

On the issue of the localisation of laws, we are equally disappointed to see the lack of concrete proposals to accelerate the pace of localisation. Progress on the localisation of laws had been at a snail's pace and only four of the 10 intended localisation bills were put to the 1993-94 Legco [Legislative Council] Session. We query whether the 220 pieces of legislation (according to official estimates) requiring localisation can be successfully customised in the next 1,000 days.

The administration seems already to have drawn a conclusion on the subject of retirement and old age

protection for Hong Kong, ruling out the setting up of a central provident fund without any reasons. Is this an example of an accountable government? With four more weeks to go before the expiration of the consultation period on the government's Old Age Pension Scheme [OPS], we feel that as wide a consensus as possible should be sought before a question as important as retirement and old age protection for Hong Kong can be resolved.

We insist that the Liberal Party's "two-pronged" proposal, requiring employers to set up provident funds for employees and the immediate increase of old age benefits to \$2,300 for the elderly in need is by far a better alternative to the government's OPS. The government's proposals will not work as these are based on wholly unrealistic assumptions and the "modest" contribution rate is bound to increase with the experience of other countries.

Since the United States implemented such a system 60 years ago, the contribution rate has risen to 11.2 per cent. While the "pay-as-you go" system put forward by the government has been heavily criticised by the World Bank and many economists as a timebomb, our proposal encourages the community to save for its future and, at the same time, brings a solution to old age protection.

Most important of all, while emphasising its "commitments to cooperation," we find it hard to believe the administration has not changed its attitude towards the Preliminary Working Committee (PWC). "There is no formal relationship between the administration and the Preliminary Working Committee," it states. The PWC was set up at a time when Sino-British talks on the electoral reforms for Hong Kong had not yet broken down. Taking the same attitude today means the government has not recognised there is a total breakdown of talks and that the PWC will evolve into the Preparatory Committee of the SAR in 1996.

The governor placed much emphasis in the last 10 paragraphs of his policy address on his willingness to co-operate with the Preparatory Committee. On this basis, cooperation will only take place in the last 300 days of British rule. So what will happen to Sino-British co-operation for the next 700 days? The sad truth appears to be that in seeking an honourable withdrawal from Hong Kong, the British Government is quite prepared to put its national interest, honour, and face over and above the interests of Hong Kong.

Come 30 June, 1997, the British will withdraw, we hope with honour but we suspect, as in the past, we in Hong Kong will have to rely on ourselves.

Party Critical of Noncooperation

HK0610070794 Hong Kong HONGKONG STANDARD (GOVERNOR'S POLICY SPEECH SPECIAL) in English 6 Oct 94 p 2

[By Tsang Yok-Shing, chairman of Democratic Alliance for the Betterment of Hong Kong]

[FBIS Transcribed Text] Governor Chris Patten has attempted to sweeten his third policy address with pledges designed to restore a Sino-British co-operative atmosphere and allay China's suspicions towards him. For example, he stresses that the economy comes first and that the administration will continue to practice a prudent public finance policy. However, his attempt will be thwarted by his dogged refusal to initiate comprehensive cooperation with China.

A main theme in yesterday's policy address was the strengthening of Sino-British co-operation on Hong Kong in the last 1,000 days of British rule, but Mr Patten is likely to disappoint those who wish to see China and Britain resume co-operation.

A case in point is Mr Patten's inability to comprehend the symbolic significance for Sino-British co-operation of closing the distance between the Preliminary Working Committee (PWC) and Hong Kong Government officials. While he asserts that government officials are not banned from making contacts with individual PWC members in a personal capacity, he opposes the idea of letting them attend the PWC's formal meetings. The reason put forth by Mr Patten is that the PWC is a body formed outside the ambit of either the Basic Law or the Sino-British Joint Declaration.

With regard to the Preparatory Committee, which is to be formally established in accordance with the Basic Law, Mr Patten has taken the initiative to offer help. Unfortunately there is no good reason for Mr Patten to continue to estrange the PWC while courting the Preparatory Committee. In fact, the PWC, like the Preparatory Committee, was established by a resolution passed by the Standing Committee of China's National People's Congress. Both are legislative bodies set up by the Chinese Government.

Party Says Issues Ignored

HK0610063094 Hong Kong HONGKONG STANDARD (GOVERNOR'S POLICY SPEECH SPECIAL) in English 6 Oct 94 p 2

[By Bruce Liu Shing-Lee, vice-chairman of Association for Democracy and People's Livelihood]

[FBIS Transcribed Text] We appreciate the governor's novel idea to publish the Legislative Program and Policy Commitments to make government operations more transparent. What is regrettable is that in the policy address the government lacks the ability to understand difficult issues. The government knows the importance of cooperating with the Chinese side but does not have sufficient means for high-level communication.

The governor has not yet been able to meet Lu Ping (director of the Hong Kong and Macao Affairs Office) on a regular basis. We deeply regret that. The policy address did not suggest how to break the deadlock.

We think the establishment of the Preliminary Working Committees [PWC] complies with China's Constitution and strengthening communication between the Hong Kong Government and the PWC can help solve problems of the transition.

With Sino-British ties grim, the policy speech can only touch upon some of the issues related to people's livelihood and especially the airport question on which an overall financial agreement has yet to come after more than three years of negotiations. It is unlikely that we will see the first plane take off from Chek Lap Kok before 1997.

Other important issues, like transport, seem not to be on the government agenda. The authority accounted for that with only one sentence. Problems like incessant traffic congestion in Kwai Tsing and Tuen Mun districts and long queues in tunnels have aroused public discontent.

Housing has long been the topic that most concerned us. Public housing usually occupies a relatively small proportion of newly granted land. If it is the same with the extra 70 hectares of land being sought this time, ordinary residents will still not be spared high flat prices.

Martin Lee Sees 'One Step Forward'

HK0610071294 Hong Kong HONGKONG STANDARD (GOVERNOR'S POLICY SPEECH SPECIAL) in English 6 Oct 94 p 2

[By Martin Lee, chairman of the newly formed Democratic Party and a directly elected legislative councillor]

[FBIS Transcribed Text] In my view, Governor Chris Patten's remarks today can best be summed up as "one step forward and a half step back."

The step forward was on livelihood issues, where hard work by my Democratic Party colleagues in bringing these issues to public and government attention has finally yielded some results. We are pleased the administration adopted important parts of our agenda, such as the measures to increase funding for elementary education and our elderly population. There is, however, still a long way to go in assisting those in need and returning to Hong Kong people some of the fruits of our economic success.

The half step back was his failure to explain how Hong Kong could secure Beijing's cooperation—but do so without giving the Chinese Government a veto over our internal affairs.

Mr Patten's sole new proposal was to involve the Preliminary Working Committee (PWC) in the efforts of the Joint Liaison Group (JLG). But, unfortunately, he did not clarify how the "informal" involvement of the PWC—a group of unelected Beijing advisers accountable to no one—will facilitate the JLG's work. It is also unclear what contribution PWC members can make as

"experts" in the JLG that they do not make now as China's hand-picked advisers.

The governor has left much unclear and, as a consequence, this may be the first step down the slippery slope of giving Beijing the veto it wants.

The most important concern of Hong Kong people—which Mr Patten utterly failed to address—is what Britain will do if the Sino-British deadlock continues. The Democratic Party favours dialogue with China. However, "dialogue" should not mean simply saying what China wants to hear and doing what China wants to do. Any dialogue worth having will proceed on the solid foundation of the Joint Declaration and be good for Hong Kong.

Governor Patten must be prepared to go it alone if it becomes clear there will be no agreement and that China is prepared to stall until 1997. While co-operation on political matters looks increasingly remote, there is no reason why cooperation on the range of economic, legal, security, transport, and social issues should not be possible.

However, where the aims of China are very different from the aims of the people of Hong Kong, the governor and the British must stand firm for Hong Kong. The ball is very much in China's court. If Beijing continues to stonewall, the time will soon come when it is the responsibility of the British to push ahead with the vast number of transitional issues and let the Hong Kong people and the Legislative Council decide.

Governor Patten must step not on the brakes but on the accelerator, in fulfilling Britain's obligations under the Joint Declaration. Hong Kong desperately needs institutions such as a human rights commission, an independent legal aid department, and a court of final appeal to protect and preserve our freedoms and free market system.

If China can be persuaded to accept these reforms, all well and good. If not, Britain and Hong Kong must go it alone. Should Beijing wish to scrap Hong Kong's democratic institutions after 1997, Chinese leaders should at least be forced to do so in full view of the international community.

Mr Patten has only two policy speeches remaining to address the territory's future. But for the six million people who live here, the fate of Hong Kong is fought out every day, one skirmish at a time. With exactly 1,000 days until the transfer of sovereignty to China, there are not that many battles left.

Editorial Criticizes Speech

HK0610075594 Hong Kong WEN WEI PO in Chinese
6 Oct 94 p A2

[Editorial: "A 'Repackaged Straddling-1997' Policy Address"]

[FBIS Translated Text] When there are only 1,000 days left to the end of British rule over Hong Kong, Chris Patten made a policy address entitled "Hong Kong: 1,000 Days and Beyond." This reveals that the Britons are reluctant to tear themselves away from Hong Kong. Racing against time, they are stepping up arrangements in the remaining 1,000 days to make sure British political and economic interests and remaining colonial forces will survive 1997; to obstruct implementation of the Basic Law; and to continue to deter China from restoring its sovereignty over Hong Kong.

In his policy address, Patten made a footnote to "transition," saying: "There is one transitional matter which needs to be addressed here." "As for Legislative Council elections, Hong Kong has made its decision." "The Legislative Council to be elected in September 1995 will serve its full term through to 1999." "The time has come to draw a line under the debate." What was in Patten's mind all the time was to set up a Legislative Council controlled by pro-British forces that would survive 1997 and make the Basic Law inapplicable.

How will the Legislative Council operate? Patten said: "The administration proposes and the legislature disposes." "The Legislative Council alone has the power to decide whether these proposals will become law or receive funding." Patten concocted a political reform package, adopted the one-vote-one-seat system, helped set up pro-Britain and anti-China political parties, and told civil servants to join political parties and involve themselves in political matters. After all this, he believed the chief executive of the Hong Kong Special Administrative Region [SAR] would have difficulty playing a leading role. Patten told China to accept the reality and cooperate with Britain in the latter's interest. He gave the following definition of "cooperation": "Sincerity is not to be judged by whether or not one party always agrees with the other." So, while holding talks with China, the British side passed the constitutional reform package into law, presenting a fait accompli. This they claimed was "sincerity for cooperation."

Patten said openly: "We have a stake in Hong Kong—yes, a stake in the commercial sense, but also a stake in people and a stake in honor." It was for this reason that part and parcel of Patten's third policy address was how to seek British interests after 1997 rather than how to achieve a smooth transfer of power and long-term prosperity in the interests of the Hong Kong people. The British national flag will be lowered in Hong Kong in 1,000 days. Patten was unwilling to resign himself to this. Wielding his fist, he said: "The sun sets; and the sun rises." However the Chinese people can clearly tell Patten that colonialism is declining rapidly, like the sun setting beyond the western hills, as is the empire. The "sun" will never rise again in Hong Kong. During this 1,000-day period, in accordance with the Joint Declaration, the Chinese side demanded that the Joint Liaison Group (JLG) discuss matters related to the changeover of sovereignty, including release of personal details

about civil servants, the detailed list of assets, and the financial archives. However, Patten also presented a long list and squeezed subjects about prolonging British interests and influence into the JLG's work schedule, trying to delay the JLG's work rather than stepping up the talks on the transition of government.

Patten also used beautiful diplomatic words and in his policy address he talked lavishly about cooperation in the transfer of government. However, these were all empty words and he mixed up the role of the JLG with the role of the Preliminary Working Committee [PWC] when he requested that members of the PWC become experts in the JLG; he said: "When the National People's Congress establishes the Preparatory Committee in 1996," he will "give help" and "when the chief executive designate is chosen," he will give support, and when the People's Liberation Army comes in 1997, the British Army will "cooperate." These are the steps which must be taken in the final phase of the transfer of government. How can they be avoided? This reflects that only in a phase when these things have to be done, will Britain then do so. But will Britain adopt a cooperative attitude in 1994 and 1995? Patten avoided the topic. This is an attempt to adopt stalling tactics, while using some beautiful words, to postpone the matter of transfer of government, so that Patten can "grasp the 1,000 days" to complete the legal reform which is linked to the political reform, to establish a Western welfare system which is linked to the campaign for votes, and to impose all these on the SAR, causing a heavy financial burden for it. This kind of method is in fact randomly "signing long-term checks" at the expense of the Hong Kong people. Patten was once careless in his speech when he said that to solve the problem for the aged, Hong Kong would have to increase the corporation tax rate to 20.5 percent and the income tax rate to 19 percent. He used the method whereby "I sign the check and you pay the money," to postpone the date of issuing pensions to the aged until 1997, so that in the first year the reserves which have been accumulated over the years must be used and, in the next year, the responsibility is there for the SAR Government, who must then increase tax to make ends meet. Patten is the first governor in more than 100 years of British rule over Hong Kong to officially announce a rise in government spending to 20 percent of the GDP. Before the 1960's, government spending took less than 14 percent of the GDP; before Patten came, government spending took less than 17 percent of the GDP. The high government expenditure will inevitably lead to high taxes, a policy of high land prices, and a high inflation rate, thus hindering the improvement of the quality of life for Hong Kong residents.

At present, the secret why Hong Kong does not have to immediately increase taxes is because the income from selling land can make up for government expenditure. Patten "grasps the 1,000 days" and intends to sell a large quantity of land. The land along the new railroad to the new airport will be sold in large quantities as will land in the New Territories. After 1997, when the land supply

decreases, the SAR Government will find itself in a difficult situation of decreasing financial resources, whereas the government spending will occupy 20 percent of the GDP. Thus, things cannot be done without tax increases.

In his policy address, Patten showed a change in strategy. He wanted to "dress" himself up as a governor who cares about the "people's livelihood," therefore, he used many pages to describe how he would be taking the people's livelihood seriously. This indicates that in his two years in Hong Kong, he just confronted with the Chinese side and, whenever he appeared on television, his topic was "political reform." In this way he undermined the smooth transition and destroyed the foundations for cooperation with the Chinese side. He ran into walls everywhere, failed to win hearts and minds, and ended up in a dead end. In this kind of dilemma, he could not but change tricks, dress himself up, and try to cast off the isolated condition. However, he was careless and revealed his real face. He ignored the strong demand of the people from various circles and various social groups and wantonly announced that "we will no longer consider the proposal about setting up a central provident fund." He turned a deaf ear to the loud call from the industrial and commercial circles to combat the 8 percent inflation rate (it is only 2.5 percent in Hong Kong's trade competitor countries) and he did not respond actively on the issue of tackling inflation. Precisely because of this, people in various circles are all saying that the governor's policy address is "lacking in content" and has no new ideas.

The Hong Kong people's expectation for the policy address is sincere cooperation with the Chinese side, earnest solution of the problem of people's livelihood in Hong Kong, and the creation of an environment for smooth transition. Patten talked about "cooperation" only when he was compelled to do so, but he will act another way. Thus, eventually, he will only hurt the interests of Hong Kong people as well as the long-term interests of Britain.

Address 'Disappointing'

HK0610062794 Hong Kong SOUTH CHINA MORNING POST in English 6 Oct 94 p 16

[Editorial: "The Last 1,000 Days"]

[FBIS Transcribed Text] The sun sets, as Chris Patten remarked rather tritely in his disappointing policy address yesterday, and the sun also rises. The final 1,000 days of British rule are not the end of Hong Kong, merely the prelude to many thousands more under Chinese rule. Britain, however, has to work hard to convince China and Hong Kong that it is, as the governor said, as committed as Beijing to ensuring the territory's future well-being.

In his concrete proposals for improved services to the elderly, in his plan to boost pre-school education, and his

schemes for building on Hong Kong's economic strength, Mr Patten showed that Britain has no intention of using the 1997 deadline as an excuse to wind down or to abdicate authority. But in one crucial area he was half-hearted. Despite his fine words about giving the post-1997 administration the best possible start, his ideas for fostering greater cooperation with China to ensure a smooth handover were unconvincing.

That is not to say China's criticisms—delivered, unsportingly, before his speech—were all justified. It was silly of Wang Fengchao, deputy director of the Hong Kong and Macao Affairs Office, to claim the government's commitments to the elderly and to education were an attempt to undermine capitalism with "welfarism". Even the most right-wing Western governments are coming to the view that education for all, from pre-school onwards, is vital for growth. A service economy like Hong Kong's relies on a highly educated workforce.

Hard-Working

Nor is the kind of money Mr Patten proposes to invest in caring for the over 65s likely to cripple the economy. Hong Kong is wealthy enough to provide a decent retirement for the hard-working men and women who have contributed so much. There is room for criticism of the government's chosen methods; there should be no argument with the principle.

Moreover, Mr Patten's continued campaign to buttress the rule of law by strengthening the police and the Independent Commission Against Corruption—despite the criticism of China's corruption-afflicted system that this implies, is not to be faulted. The territory's success as a financial and service centre depends on clean government, good business ethics, and an independent, fair-minded judiciary. These are Britain's most valuable legacies and it has a duty to ensure they continue after 1997.

And the government's conversion to localisation and developing the Chinese language skills of its civil service should be encouraged as enthusiastically as its commitment to cross-border cooperation on operational matters.

Frustrating

However, it is also vital for stability for Britain's final 1,000 days to be spent improving relations with China. True, Mr Patten is in the frustrating position of knowing that anything seen as his initiative may be rejected by China, no matter what the effect on Hong Kong. He is damned if he proposes cooperation and damned if he does not. And his natural constituency among democrats would distrust any overt attempts to make personal peace with China's leaders.

But yesterday's olive branch to China was too grudgingly and hesitantly offered. It is not enough to call for cooperation and a two-way street if, in the same breath,

Mr Patten is to accuse China of failure to live in the real world. It is not enough to offer token openings for Preliminary Working Committee (PWC) members to act as experts on the Joint Liaison Group, unless Mr Patten is also prepared to swallow his pride and accept as legitimate, close contact between the civil service and the PWC. It is not, and cannot be, a negotiating body. Many of its members may stand accused of "instant noodle patriotism"—of switching to the Chinese camp at the last moment to display loyalty to the new regime, rather than out of commitment to the well-being of Hong Kong. But it is a useful forum for the exchange and development of ideas. It has a role to play in the transition which Mr Patten is foolish to ignore.

China must stop using Hong Kong's future as a political bargaining chip. But so, too, must Britain.

Editorial Hails 'Eloquent' Speech

HK0610062694 Hong Kong HONGKONG STANDARD in English 6 Oct 94 p 10

[Editorial: "An Elegant Plea For Shared Dignity"]

[FBIS Transcribed Text] Floating down the river of words came a glittering phrase from Governor Chris Patten: "Though it is the last 1,000 days of British administration of Hong Kong, it is far from being the last 1,000 days of Hong Kong. The sun rises; and the sun sets."

And away it went, around the corner, out of sight and into Hansard. But hopefully it also made its way across the border to Beijing. For the governor was rightly pointing out that Britain still has a stake in this place. It was an eloquent plea for the last chapter of Hong Kong's colonial history to be played out with dignity on both sides.

He correctly noted that "the world watches to see whether we succeed or fail. We will both be judged by the future... by the people of Hong Kong. They will not forgive us—Britain or China—if we fail."

The political initiatives contained in Mr Patten's speech could hardly be described as major. Civil servants can continue to brief Preliminary Working Committee [PWC] members outside PWC meetings. These contacts must be on an individual and selective basis. Britain, it seems, still fears that China is using the PWC as a shadow government to undermine the authority of the present Hong Kong administration. PWC members have already rejected another conciliatory gesture—to allow them to get involved in the Joint Liaison Group—as "superficial." And the signals are that China will not take up the Patten peace offerings.

With less than 1,000 days left before the transfer of sovereignty, perhaps Beijing should reconsider. Mr Patten has in the past aroused China's suspicions with his controversial actions. But with time now running out

his new pleas for mutual cooperation should be taken at face value. He should be given the benefit of the doubt.

A lot of the speech was dedicated to welfare and the elderly. Mr Patten has already been criticised for double standards on the grounds that the government has not contributed enough to the old age pension scheme but has now turned around and will inject huge outlays into welfare for the elderly. While we can understand China's reservations about expensive welfare schemes, we believe that Hong Kong's economic development has reached the stage where we can afford to do this. Other developed countries devote a far higher percentage of their gross domestic product to social welfare.

This newspaper has in the past warned against encouraging a cycle of dependency through welfare schemes. But we should not look upon this as "welfarism." We should view it as a prosperous society paying back the people who helped make it prosperous. There is an ancient Chinese saying that we should not forget "those who dug the well".

In the heat and passion of political polemics, the real issues at stake are often forgotten. But Mr Patten has made an eloquent and, we believe, sincere plea for cooperation so that this final chapter of Hong Kong's colonial history can be ended with dignity on both sides.

Editorial Views Policy Address

HK0610062294 Hong Kong EASTERN EXPRESS in English 6 Oct 94 p 15

[Editorial: "Patten Almost Says What He Feels"]

[FBIS Transcribed Text] It is one thing to have a proposal rejected. It is quite another to have that proposal ripped up and thrown back in your face before you have even had a chance to make it.

Yesterday, Chris Patten almost snapped. The mask slipped a little. He nearly said what he really felt, especially when he was asked how he felt about China beating him over the head with his own olive branch. He even thumped the table.

"It would be interesting to know what else reasonably and honourably and sensibly anybody else thinks that we should be offering? What else?" he said in support of his proposal to allow low-level contacts with the Beijing-appointed Preliminary Working Committee. "And if that isn't enough, and if that is to be turned down and rejected, then I hope those who turn it down and reject it will be asked a few questions themselves." And they will be.

But first let us look at what Patten offered to ease tensions between Britain and China. It is fair enough to lay the groundwork for co-operation with the preparatory committee, a powerful body to be formed in 1996 to set up the post-handover administration. And fair enough to promise utmost co-operation with the chief

executive-designate and the principal officials chosen to straddle 1997. This is what the Hong Kong people want.

But to suggest that PWC [Preliminary Working Committee] members be used as a political lever to break the logjam in the JLG [Joint Liaison Group] is token and hollow. Particularly so, when Patten has spent so much time publicly discrediting the PWC. And much of the mud has stuck.

Even senior Chinese officials have privately acknowledged that the PWC is not a real instrument of power, least of all a credible one.

PWC members do not have the expertise to contribute to many of the difficult and politically sensitive issues which the JLG has foundered on. Indeed, that is precisely the reason that their opinions on crucial transitional matters are often publicly derided. They are China-appointees, political appointees, not diplomatic negotiators.

So why the gesture? Was Patten hoping that if the PWC became involved in lower-level negotiations of the JLG, it might increase the pressure on China to get things moving again? If so, it is not convincing and it is hardly reassuring.

There can be little doubt that China is playing politics in negotiations with Britain over the 1997 transition. But why should Britain respond with yet more political point-scoring?

Patten is quite right when he thumps the table and demands, in obvious frustration, to know what he can possibly offer to break the deadlock. Hong Kong people are not asking for a magic solution, and they do not want rhetoric dressed up as solutions. They simply want Britain and China to come clean. If, because of stonewalling by China, Britain is no longer getting the necessary cooperation to prepare for a smooth transition, then say so.

All the Hong Kong people need to know is that if cooperation is not possible now, Britain will make every effort to make the transition easier for the preparatory committee, the chief executive-designate, and those civil servants who can straddle the handover, and who will set up—if not form—the post-1997 administration. There is a school of thought that it suits both China and Britain's needs to agree to disagree over Hong Kong and 1997. China can blame Patten for moving the political goalposts and can thus get on with what it was going to do with Hong Kong anyway—exactly what it likes. Likewise, Britain can blame China for failing to agree on key 1997 issues and throw up its hands to the world and say: "We tried our best for the people of Hong Kong but it is impossible to do business with Beijing." That way it can avoid the inevitable accusations that it either did not achieve enough for Hong Kong, or tried to achieve too much.

If this line of thinking is correct, then everything seems to be going exactly according to plan. Patten may or may not be part of that school of thought. We think he is not, at least not yet. He has still to reach that stage of cynicism.

As the governor finds the going getting tougher and tougher, you can almost see Sir Percy Cradock flashing his "I Told You So" T-shirt at Patten from the safety of London. Certainly, if China and Britain were to discuss the price of beer at the moment they would manage to turn it into an international incident. The governor should look on the bright side—there are only 999 days to go.

Reportage on UK-Sino Developments, Patten Speech

Editorial on Qian, Hurd Meeting

*HK0510122994 Hong Kong WEN WEI PO in Chinese
3 Oct 94 p A2*

[Editorial: "The Foreign Ministers Have Met; We Will See What Follows in Action"]

[FBIS Translated Text] As requested by Britain, Chinese Vice Premier Qian Qichen talked with British Foreign Secretary Douglas Hurd for two and a half hours. Before the talks, Hurd had presented a position of wanting to improve relations with China in meeting with Guo Fengmin during his visit to Hong Kong.

Presenting a position is an easy thing to do, especially for Western politicians adept at staging "shows" in their parliaments. In its long-time dealings with Britain, China has learned much about Britain's inconsistency between words and actions, and its policy of "saying one thing while doing another," particularly following Chris Patten's arrival in Hong Kong. Britain unilaterally announced the suspension of the Joint Liaison Group [JLG] meetings; overthrew the JLG's agreement on the Court of Final Appeal; and announced unilaterally it would go ahead and build the Tsing Yi-Ma Wan Bridge before experts from China had arrived in Hong Kong, even though they had requested discussion and consultation with China on the new airport project. It vowed, in all seriousness, that it would cooperate and discuss with China on matters involving the political change-over, while in truth it had been cooking up its own political reform program behind closed doors, and it has implemented that program arbitrarily. It then bragged about "how sincere" it was in pursuing Annex II of the Joint Declaration, and about its "hope to cooperate with China," and so forth and so on.

Each time, it would say "cooperation," while its actions were noncooperation and unilateral acts undermining the basis of mutual trust. Each time it would say "discussion before taking action," but would pursue its own agenda so as to create a fait accompli, forcing China to acknowledge it, and would come back and say "let us not

argue about it and begin to cooperate." Against this background, China could not possibly entertain any illusions about Britain's position on "cooperation."

This time, Britain again has said it wants to "cooperate." Only this time, the circumstances are a little different. Industrial powers such as the United States, Germany, France, Italy, Belgium, the Netherlands, Austria, and Japan have improved their relations with China considerably, and have benefited enormously from their expansion into the China market. Britain is not on this "train to China." Now under great pressure from British industrial and commercial sectors, the ruling Conservative Party naturally wants to improve its diplomatic relations with China. Without good diplomatic relations and the driving force provided by governmental economic and trade accords, there will not be much momentum for nongovernmental trade. The United States, Germany, France, and Austria all used high-level officials to promote their machinery products and to pave the way for the acquisition of infrastructure contracts; their results have been excellent. Whereas in the last few years the British Government has changed its China policy to one of confrontation, creating one obstacle after another to China's resumption of sovereignty over Hong Kong, disrupting the smooth transition, not converging with the Basic Law, and ruining its relations with China in the end.

Therefore, to improve its relations with China, Britain must reverse its China policy and return to the 1984 track of cooperation. The Hong Kong problem is an important component in Sino-British relations. There will be no good cooperation if Britain continues to be confrontational over the Hong Kong problem, yielding and patching up only on side issues, and cooperating only in economic areas and trade that are in Britain's interest. The Sino-British Joint Declaration mandates that China and Britain discuss and consult each other on the political handover and on key issues straddling 1997, and that they take actions only after achieving accord. If the British Hong Kong authorities continue with their policy of merely "informing" China of their unilateral actions on important affairs straddling 1997, without waiting for consultation, cooperation is meaningless and Sino-British relations will continue to be at their nadir. The stalemate in Sino-British relations was caused by Britain, and it is something China does not want to see. The key to cooperation lies with Britain. It should take action to change its course back to the path of cooperation.

When commenting on his meeting with British foreign secretary, Qian Qichen said: "The talks were relatively earnest, serious, and—I think—constructive." China definitely will not hide its points of view. At the latest Sino-British JLG meeting, it listed all the files, fiscal figures, and information it wanted for the political handover. The next 1,000 days will see the preparations for the political handover. One litmus test for Britain's cooperation is whether or not it will hand over political

power with good will; speed up the pace of the JLG's work; discuss with China affairs pertaining to the political handover; provide files and information on civil servants necessary for the political handover; want to contact and communicate with the PWC; and halt its policy of taking unilateral actions. Of course, Britain will have its own view of cooperation. The two diplomatic terms—"earnest" and "serious"—suggest that there still was dispute between the two sides. Britain knows China's position; China's position is very clear: As far as sovereignty is concerned, the matter is final; that is, in 1997 China will resume the exercise of sovereignty over Hong Kong, as scheduled. Now is the time to talk with Britain on methods for the political handover, the kind of problems likely to emerge in the handover process, and the methods to deal with them. Sovereignty is not a hollow thing, and matters related to it must be done according to the Basic Law. The British should not even think of continuing their rule after Hong Kong has become a special administrative region. That is why Chris Patten's three-tier council system must go in 1997 if Hong Kong is to be transferred from Britain to China. If London is sincere about cooperation, it should make its governor do something.

Summing up the tactics with which Britain handled negotiations in the past, Qian Qichen pointed out: "Mere talks do not signify that things have happened. We have to look at what actually has happened, real actions, and the status of implementation." That is why there was no press release from the talks. Will the British carry out their proposal for cooperation and their promises? Will these proposals and promises become reality? We do not know yet. That is why China can only wait for Britain's actions, in the spirit of "measuring a person's words against his deeds." Once Britain has done something, there will be no problems in resuming cooperation. In the next few months, Hong Kong people may watch steadily to see if there are any changes in Britain's policy toward Hong Kong, and especially any actions to facilitate the political handover following Chris Patten's third policy address.

Official Opposes 'Unilateral' Acts

OW0510135494 Beijing XINHUA in English 1329
GMT 5 Oct 94

[FBIS Transcribed Text] Beijing, October 5 (XINHUA)—Britain should take real actions to show its sincerity to cooperate with China instead of merely paying lip service, a spokesman for the Hong Kong and Macao Affairs Office of the State Council said here today.

Commenting on Hong Kong Governor Chris Patten's policy address for 1994, which was released today in Hong Kong, the spokesman pointed out that China is not responsible for the divergence between China and Britain which has appeared over the past few years.

"We always hold that the two sides should cooperate and not conflict," he said. "As an old Chinese saying goes

that 'judge someone by listening to what he says and observing what he does', we hope the British side will take real actions to show its sincerity to cooperate."

On major issues, especially those concerning the interests of the future Hong Kong Special Administrative Region, including politics, economy and legislation, Britain should consult China in advance and must not take unilateral actions, the spokesman noted.

"The cooperation should be all-rounded and not optional," he said.

There has been reports that people from Taiwan are intending to rent public venues of the Hong Kong Government to carry out evening celebrations on October 10.

The spokesman said that if the Hong Kong Government allows Taiwan to hold so-called "national day celebrations" at a government venue, it indicates that British Hong Kong authorities will unscrupulously raise an overt provocation.

"It will also run counter to the British side's repeated promises to cooperate with China and we hope that the Hong Kong Government will halt here right now and do not provoke a new dispute," he said.

Urge UK Concrete Action

HK0610053494 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1426 GMT 5 Oct 94

[By reporter Shi Qingbin (2457 3237 1755): "Zheng Guoxiang Points Out That the Chinese Side Hopes the British Side Will Take Concrete Action To Show Sincerity for Cooperation"]

[FBIS Translated Text] Hong Kong, 5 Oct (ZHONGGUO TONGXUN SHE)—Zheng Guoxiang, deputy director of the XINHUA News Agency Hong Kong Branch, pointed out: Yesterday Chris Patten delivered the third policy address since he assumed office, in which he expressed his willingness to cooperate with China. This is just a verbal statement which lacks concrete measures. As far as Sino-British relations are concerned, the Chinese side has persistently favored cooperation rather than confrontation. The differences arising between China and Britain in the last few years are the outcome of the British side's change in its Hong Kong policy. The responsibility does not rest with the Chinese side. The Chinese side hopes that the British side will take real concrete action to show its sincerity for cooperation rather than just pay lip service. The Chinese side will both listen to what its counterpart says and watch what it does.

When attending the get-together sponsored this evening by the Hong Kong Island Affairs Office of the XINHUA Hong Kong Branch to "Usher In 1997 in a Thousand Days," Zheng Guoxiang stated: The British side should consult with the Chinese side in advance and not take

any unilateral action on important issues concerning the transfer of Hong Kong's political power, a smooth transition, the maintenance of Hong Kong's long-term prosperity and stability, and the interests of the future special administrative region, including issues in the political, economic, legal, and other fields of endeavor. Only in this way can comprehensive rather than selective cooperation be achieved.

He went on to say: On the other hand, it is hoped that the British side will not provoke new conflicts and create new barriers any more. For example, recently the British Hong Kong Government allowed a relevant Taiwan organization in Hong Kong to hire the Cultural Center under its jurisdiction to sponsor so-called "Double Tenth" activities. This was an open provocation the British Hong Kong Government deliberately evoked. This only shows that the British side does not have any sincerity for cooperation. The Chinese side hopes that the British side will live up to its words and keep its promise to recognize one China, change its erroneous decision, and show its sincerity for cooperation with concrete action.

Reportage on Decision To Allow Taiwan Celebration

Governor Stands Firm

HK0510131794 Hong Kong AFP in English 1250 GMT 5 Oct 94

[FBIS Transcribed Text] Hong Kong, Oct 5 (AFP)— Governor Chris Patten on Wednesday defended his government's decision to allow Taiwan supporters to celebrate the island's national day at Hong Kong's cultural center, saying he could not legally go back on the move. China has come down on Patten's administration for renting the venue to the Taiwan-backed Chinese Cultural Association for next Monday's festivities, alleging that in doing so, Britain was recognizing "two Chinas." Taiwan's Nationalist government, which took refuge on the island in 1949 when Chairman Mao Zedong's communists came to power in Beijing, still claims sovereignty over all China.

But Patten said even if he wanted to, the rule of law in Hong Kong did not allow his administration or the Urban Council, which runs the cultural center, to revoke their decision to let the venue to a legally registered group. "Under what law could the government throw the decision out?" he asked at a press conference after his yearly policy address to legislators, 1,000 days before Hong Kong's July 1997 handback to China. He added: "There are times when it makes a great deal of sense to put away the gramophone records, especially when they're badly scratched, in favor of serious, forward-looking positive debates and dialogue."

A senior Chinese official in Hong Kong, Zhang Junsheng, accused Patten's administration Tuesday of trying to "shirk responsibility" and laying the blame for the

decision on the Urban Council. "The decision was purely made by the British Hong Kong authorities," said Zhang, a deputy director of the Hong Kong branch of the XINHUA News Agency, adding that Patten's political adviser and the Security Branch had both been consulted by the Urban Council before the decision was made.

In past years, the Chinese Cultural Association has marked the October 10 holiday at a pro-Taiwan school. Taiwan's supporters in the territory also publicly show their colors by raising Taiwan flags on buildings and streets, although in recent years police have removed the flags from major thoroughfares, claiming them to be traffic hazards.

XINHUA Condemns Rental

HK0510130094 Beijing XINHUA Hong Kong Service in Chinese 0833 GMT 5 Oct 94

[FBIS Translated Text] Hong Kong, 5 Oct (XINHUA)— The responsible officials of the XINHUA Hong Kong Branch said recently that the British Hong Kong authorities' decision to rent a public place to a Taiwan institution for the so-called "double ten" [10 October] activities was an act creating "two Chinas" or "one China, one Taiwan." The decision violated Britain's "one China" promise. The Chinese side expressed strong indignation at this. The British Hong Kong authorities must bear responsibility for all serious consequences caused by the decision.

Zheng Guoxiong, deputy director of the XINHUA Hong Kong Branch, said yesterday, when attending a National Day party held by the Association of China-Owned Enterprises in Hong Kong, that the insistence of the British Hong Kong authorities on renting the place to Taiwan's institution in Hong Kong for its so-called "double ten" activities violated the principle of "one China," so the British Hong Kong authorities must bear responsibility for all serious consequences.

Zheng Guoxiong said: The renting of the Hong Kong Cultural Center, which is managed by the Hong Kong Government, by a Taiwan institution in Hong Kong was arranged completely by the British Hong Kong authorities. Although the Chinese side had made serious representations many times on this issue, the British Hong Kong authorities now are sticking to their erroneous decision. The Chinese side expressed strong indignation at this.

Zheng Guoxiong said: The Taiwan issue is one concerning the cause of China's reunification, and the British side made an explicit commitment on its "one China" position in the past. Now, the practice of the British Hong Kong authorities has gone against the British Government's promise. The Chinese side demanded that the British side keep its deeds in line with its words.

Ulanmulun and Zhu Yucheng, other deputy directors of the XINHUA Hong Kong Branch, also strongly pointed

out on other public occasions that since the establishment of Sino-British diplomatic relations, this was the first time the British Hong Kong authorities had rented government-run facilities to a Taiwan institution for "double ten" activities. This was an act creating "two Chinas" or "one China, one Taiwan." The Chinese side was indignant at this, and the British Hong Kong authorities must bear responsibility for all serious consequences.

RENMIN RIBAO on Decision

HK0610093794 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 5 Oct 94 p 5

[By Gu Kou (0657 0656): "Advising British Hong Kong Authorities Not To Play the 'Taiwan Card'"]

[FBIS Translated Text] Recently, Douglas Hurd, British secretary of state for Foreign and Commonwealth Affairs, and Hong Kong Governor Chris Patten keep on saying that they will cooperate with China. However, they had hardly finished saying so when word began to circulate that the Hong Kong Government has approved the hire by a Taiwan organization stationed in Hong Kong of an official venue run by the Hong Kong Government to host "double tenth" celebration activities. After the Chinese side made repeated presentations, the British Hong Kong authorities shirked responsibility by indulging in sophistry and stubbornly stuck to their erroneous way of doing things, thus evoking people's serious concern.

On the one hand, this event has exposed the British side's true features of failing to keep faith, and, on the other hand, it flashed a clear signal: The British Hong Kong authorities are also attempting to play the "Taiwan card."

In the last few decades since China and Britain established diplomatic relations, in handling affairs relating to Taiwan, the British Hong Kong authorities can still be considered relatively cautious. Taiwan organizations in Hong Kong have never been able to hold activities in government-run places. This is because the British Hong Kong authorities are fully aware of the promise they have made: There is only one China, that is, the PRC; Taiwan is a province of the PRC; and the PRC Government is China's sole legitimate government. In Hong Kong under British rule, the Hong Kong Government can only pursue the same policy and should not allow any activities designed to create "two China's" or "one China, one Taiwan" to take place.

Nevertheless, for some time in the past, Britain has begun to change its policy toward China due to its erroneous appraisal of the situation, and Hong Kong Governor Patten has taken a series of actions to confront China. Meanwhile, on the Taiwan issue, departing from normal behavior, he has taken one move after another. Last year in Hong Kong, Patten openly met Hsu Sheng-fa, president of the Trades Union Council, which has an

official Taiwan background. This was an undisguised move. Since the beginning of this year, restrictions on visits by Taiwan government officials to Hong Kong have been more greatly loosened, and thus, a large number of high-level Taiwan officials have shuttled between Taiwan and Hong Kong. What a busy place, with so many people coming and going. The current approval of the hiring of the Cultural Center, an official venue run by the Hong Kong Government, by Taiwan organizations in Hong Kong to carry out "double tenth" celebration activities has thoroughly exposed the British Hong Kong authorities' evil attempt to confront China by not hesitating to meddle in China's internal affairs and play the "Taiwan card."

The current hiring event is a link in numerous moves the Taiwan authorities have recently taken through racking their brains, with the same old things in a new guise, such as the so-called "expanding diplomatic space" and "giving prominence to an international political entity." As 1997 approaches, Taiwan forces in Hong Kong have increasingly faded. In recent years, when holding similar activities in a small private venue, Taiwan organizations in Hong Kong found that there were not enough people to attend. This year, the Taiwan organizations in Hong Kong have hired a large venue like the Hong Kong Cultural Center to prove its existence as a "political entity" by advertising the "official" coloring of the venue while maintaining an appearance of strength. This plot fits readily with the British Hong Kong authorities' attempt. Like attracts like. Hence, there was the "venue-hiring" farce.

The Chinese Government has never opposed Taiwan carrying out economic and trade, tourism, cultural, and other nongovernmental activities in Hong Kong or other places. After China recovers sovereignty over Hong Kong in 1997, so long as it abides by the Basic Law, Taiwan still can carry out economic and trade and other nongovernmental activities in Hong Kong. However, individuals and forces are not allowed to carry out activities detrimental to Hong Kong's stability and prosperity, not to mention activities to split China, such as creation of "two China's" or "one China, one Taiwan."

The current "venue-hiring" event is of a serious nature. The British Hong Kong authorities have an unshirkable responsibility for it. Allowing and conniving with the open staging of activities to create "two China's" or "one China, one Taiwan" shows that the British Hong Kong authorities are still embarking on an erroneous road. This will surely cause furious indignation and strong opposition from all Chinese people, including compatriots in Hong Kong.

We sternly warn the British Hong Kong authorities not to play the "Taiwan card."

PWC Official Opposes Flying Taiwan Flag

HK0610053894 Hong Kong MING PAO in Chinese 5 Oct 94 p A2

[("Special article" by staff reporter: "Preparatory Working Committee Members Explain the Basic Law,

Saying People Will Not Be Allowed to Fly the Republic of China Flag or Celebrate the Double—10th National Day After 1997"]

[FBIS Translated Text] Shao Tianren, Chinese law expert and Preparatory Working Committee [PWC] member has pointed out that the Basic Law had made it clear that some national laws would be applied in Hong Kong. These laws stipulated that nobody was allowed to fly the blue-sky-bright-sun flag and that the "double-10th [10 October]" must not be treated as the national day. Penalties would be fixed after 1997, he added. Hong Kong PWC member Raymond Wu Wai-yung said that the two violations would be regarded as "splitting the country."

In a telephone interview with this reporter, Shao, mainland leader of the PWC law subgroup, stated clearly that the "double-10th" festival shall not be celebrated nor the blue-sky-bright-sun flag flown.

He said the national laws to be applied in Hong Kong, as enshrined in Annex III of the Basic Law, namely, the "Resolution on the Capital, Calendar, National Anthem, and National Flag of the PRC" and the "Resolution on the National Day of the PRC," had established the five-star flag, the March of the Volunteers, and 1 October as the Special Administrative Region's (SAR) national flag, national anthem, and national day.

In other words, the blue-sky-bright-sun flag, the "national anthem," and the "national day" of the Taiwan regime would be illegal in Hong Kong after 1997, he added.

One of the duties of the SAR chief executive was to enforce the Basic Law and other laws applicable in Hong Kong as stipulated in the Basic Law, so he was duty-bound to ban people from marking the "10 October national day" in Hong Kong, he said.

Asked if individuals were allowed to fly the Republic of China flag or celebrate the "double-10th national day," Shao said it was difficult to judge specific activities, because after 1997, some people might argue that they are marking the Revolution of 1911 when having some sort of celebration on 10 October; likewise, if a textbook said the blue-sky-bright-sun flag was the national flag before 1949, it tallied with the facts.

When asked about the principles for imposing penalties on lawbreakers, Shao said that this was a matter for the future SAR government, adding that "the PWC law subgroup will not deal with such specific matters."

Separately, Raymond Wu Wai-yung, Hong Kong leader of the PWC cultural subgroup, was concerned that flying the blue-sky-bright-sun flag in Hong Kong after 1997 would be a matter related to sovereignty and might be regarded as an act of splitting the country. Whether civilians would be allowed to fly the flag, however, might depend on the political climate at that time, he added.

Wu said yesterday that if pro-independence forces in Taiwan grew stronger and stronger after 1997, the SAR government would "place greater restrictions" on relevant issues. But it was unknown whether flying the blue-sky-bright-sun flag violated Article 23 of the Basic Law regarding the crime of splitting the country. It would depend on the interpretation of relevant regulations.

XINHUA Highlights Pro-PRC Local Media

OW0510142794 Beijing XINHUA in English 1408 GMT 5 Oct 94

[FBIS Transcribed Text] Hong Kong, October 5 (XINHUA)—The 1,000-day countdown before Hong Kong's return to China's administration on July 1, 1997, is highlighted in the local press today.

A series of activities, including gatherings and symposiums, are to be held today and in the days to come to mark the occasion.

Local Chinese-language newspapers TA KUNG PAO, WEN WEI PO and HONG KONG COMMERCIAL DAILY run whole pages of advertisements by big companies based in the territory welcoming the 1,000-day countdown.

TA KUNG PAO said in an editorial that a new page in Hong Kong's history will start when Britain ends its colonial rule in the territory on June 30, 1997.

An editorial of WEN WEI PO notes that following the end of the colonial rule, the local people will really become masters of the territory and enjoy a high degree of autonomy under the "one country, two systems" policy initiated by veteran Chinese leader Deng Xiaoping.

HONG KONG ECONOMIC TIMES says in a news feature that as China's resumption of its sovereignty over Hong Kong is approaching, the Chinese mainland-Hong Kong relations will become even closer.

Henry Fok Ying-tung, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, says in a special edition of HONG KONG COMMERCIAL DAILY that stability and prosperity are most important for Hong Kong in the days to come.

Describing Hong Kong's future as being closely linked with the fate of the motherland, he calls on the local people to take a more active part in affairs related to the transition.

Governor Urged To Control Trade in Bear Products

LD0610111694 London PRESS ASSOCIATION in English 1054 GMT 6 Oct 94

[By Mark Duffell, PA News]

[FBIS Transcribed Text] Hong Kong Governor Chris Patten was today urged to impose tighter controls on the illegal trade in Asian bear products to prevent the animals' extinction. A survey by Anglo-American pressure group the Environmental Investigation Agency claims that out of 30 pharmacies they visited in the colony, 13 sold bear products.

The agency also released film showing an illegal trade in bear gall bladders and bile powder, and of Chinese bear farms which, it claimed, supply Hong Kong shops with bears kept in appalling conditions.

The allegations come just two days after the Hong Kong Government said the trade had been "almost eliminated". Inspectors from the government's Agriculture and Fisheries Department reported bear products in just 17 out of 1,084 pharmacies visited.

But the EIA's senior investigator, Peter Knights, said illegal traders "make a mockery of current enforcement efforts". He urged Mr Patten to set up a dedicated body to enforce existing laws and also to outlaw the use of bear products. "Hong Kong must end this trade now, before Asian bears are pushed to the brink of extinction, just like tigers and rhinos have been."

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